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亨利加集團有限公司
HUNLICAR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3638)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO

THE DEEMED DISPOSAL OF 45% EQUITY INTEREST IN ADORABLE GOLDEN LIMITED

AND

THE ACQUISITION OF 40% EQUITY INTEREST IN HONG KONG FINANCIAL SERVICES HOLDING LIMITED

Reference is made to the announcement of Hunlicar Group Limited (the "**Company**") dated 28 November 2025 (the "**Announcement**") in relation to the Deemed Disposal and the Acquisitions. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information to the Shareholders and potential investors of the Company in respect of the Deemed Disposal of interest in the Adorable Group and the Acquisitions of interest in FSH Group.

DEEMED DISPOSAL

Additional information on the basis of consideration of the Deemed Disposal

As set out in the Announcement, the Valuer has selected the Price-to-Book (P/B) ratio as the primary valuation metric for Adorable. This selection is driven by several key considerations specific to Adorable's circumstances and industry practice in the securities brokerage sector.

Among the 11 selected comparable companies, only 4 exhibit positive P/E ratios and 2 exhibit positive EV/EBITDA ratios. This renders earnings-based multiples inapplicable or unreliable for comparative valuation purposes. While revenue-based multiples such as Price-to-Sales (P/S) and Enterprise Value-to-Sales (EV/S) can theoretically be applied to loss-making entities, these metrics present significant limitations in the present context. Specifically, revenue-based multiples fail to capture differences in profitability profiles, cost structures, and operating margins among peer companies, which are particularly volatile and material for loss-making firms. Moreover, such multiples do not reflect the underlying financial position and balance sheet strength of the enterprises being compared.

The following are the additional reference data for Adorable Valuation:

Market Multiples of Comparables

No	Ticker	Company's Name	P/E	P/B	EV/ EBITDA
1	821 HK	Value Convergence Holdings Limited	na	0.48	na
2	188 HK	Sunwah Kingsway Capital Holdings Limited	na	0.34	na
3	8350 HK	Well Link Securities Holdings Limited	12.1	3.17	8.09
4	8098 HK	CL Group (Holdings) Limited	na	0.50	33.41
5	2263 HK	Fu Shek Financial Holdings Limited	88.54	0.71	na
6	510 HK	CASH Financial Services Group Ltd	na	0.86	na
7	2680 HK	Innovax Holdings Limited	na	1.48	na
8	8226 HK	KOALA Financial Group Limited	49.88	0.14	na
9	619 HK	South China Financial Holdings Ltd	na	2.44	na
10	804 HK	Pinestone Capital Limited	na	1.10	na
11	8333 HK	Astrum Financial Holdings Limited	17.52	0.32	na

na: not applicable

In the securities brokerage sector, valuation is more fundamentally tied to net asset value than to revenue or earnings metrics. The P/B ratio represents established market practice for valuing securities firms, particularly those experiencing operational losses or earnings volatility. Consequently, the P/B ratio provides a more appropriate and reliable indicator of fair market value relative to Adorable's financial position and risk profile.

Given the limited availability of pure brokerage comparables within the Stock Exchange, particularly among firms with market capitalisations below US$100 million, the comparable list was extended to companies deriving over 50% of revenue from SFC Type 1 licensed activities. This expansion was carefully managed to exclude entities with materially different business models, such as pure asset management firms or diversified financial conglomerates, to ensure the comparables reflect consistent regulatory capital requirements and risk profiles.

The valuable alignment of quantitative screens, including SFC license types, revenue contribution thresholds, and market capitalization size classification, and qualitative review of business descriptions substantiate the fairness and representativeness of the selected peer group for Adorable Group's valuation.

Basis of using the median P/B ratio rather than the average P/B ratio

The Adorable Valuation adopts the median P/B ratio (0.607x) over the arithmetic average (0.836x) to mitigate the influence of skewness caused by outliers exhibiting unusually high P/B multiples. By utilising the median, the assessment produces a more robust and reliable central tendency measure that better captures the typical market valuation level embraced by the majority of comparable companies, thereby ensuring fairness and reasonableness in the valuation and subscription price.

Reasons for the fair value adjustment to the net book value of the Adorable Group and the calculation of the appraised value of the 45% equity value after DLOM

In arriving at the Adorable Valuation, there was an upward adjustment to the net assets value of the Adorable Group. Such fair value adjustment related to the lower cost amount of the investment in associate (FSH Group) recorded in the management accounts of the Adorable Group as compared to the fair value based on valuation. This upward adjustments is to align the net assets value of the Adorable Group for fair valuation.

(1)	Comparables' median P/B ratio (times) adopted for FSH Valuation	1.043x	(1)
(2)	Net book value of FSH Group (as per the consolidated management account of FSH Group)	HK$1,941,568	(2)
(3)	100% equity value of FSH Group before DLOM	HK$2,025,814	(3) = (1) x (2)
(4)	Less: Marketability discount (DLOM)	HK$230,943	(4) = (3) x 11.40%
(5)	100% equity value of FSH Group after DLOM	HK$1,794,871	(5) = (3) – (4)
(6)	30% equity value of FSH Group after DLOM	HK$538,461	(6) = 0.30 x (5)
	Rounded to thousand dollar	**HK$538,000**	
(7)	Book value of 30% equity interest in FSH Group (as per the management accounts of the Adorable Group)	HK$248,929	(7)
(8)	Upwards adjustment to the book value of 30% equity interest in FSH in Adorable's account	HK$289,071	(8) = HK$538,000 – (7)
(9)	Net book value of the Adorable Group (as per its management accounts before the adjustment of Item (8))	HK$29,791,455	(9)
(10)	Adjusted net book value of the Adorable Group	HK$30,080,526	(10) = (8) + (9)
(11)	Comparable median P/B ratio (times) adopted for Adorable Valuation	0.607x	(11)
(12)	100% equity value of Adorable Group before DLOM	HK$18,262,492	(12) = (10) x (11)
(13)	Less: Marketability discount (DLOM)	HK$2,081,924	(13) = (12) x 11.40%
(14)	100% equity value after DLOM before the Subscriptions	HK$16,180,568	(14) = (12) – (13)
(15)	100% equity value after DLOM after the Subscriptions ("**Post Money Valuation**")	HK$29,419,214	(15) = (14) ÷ 55%
(16)	45% equity value after DLOM after the Subscriptions (on an expanded capital basis)	HK$13,238,646	(16) = (15) x 45%
	Rounded to the nearest thousand dollars	**HK$13,239,000**	

Item 14 above represents the 100% equity value after DLOM before the Subscriptions. It also represents 55% of the entire equity value after DLOM after the Subscriptions ("**Post Money Valuation**") on an expanded capital basis since the transaction structure involves the issuance of new shares rather than the sale of existing shares of the Adorable Group. Item 14 is divided by 55% (being the portion it would belong after enlargement by the Subscriptions), to derive the Post Money Valuation of 100% equity value of Adorable after the Subscriptions (Item 15). As to the consideration for the Subscriptions (Item 16), this shall be the amount of Post Money Valuation (Item 15) multiplied by 45%, the portion of interest being valued.

The Board has reviewed the Adorable Valuation and considered the valuation approaches adopted by the Valuer (including the valuation methods being considered and selected and the principal assumptions applied). The Board is of the view that the Adorable Valuation is fair and reasonable, having considered that:

(i) the income approach is a valuation method that is highly sensitive to the inputs applied in the cash flow projections and the discount rate adopted. Changes in the underlying assumptions or the perimeter of the forecast could significantly impact the derived market value. As the Adorable Group is loss-making position for the five months ended 31 August 2025 and there are uncertainties in cash flow associated with its proposals to commence securities margin financing business and launch a virtual asset trading platform for virtual asset transactions (as set out in section headed "Additional information on the reasons of the Deemed Disposal" below), the income approach was deemed unsuitable for Adorable Valuation; and

(ii) the market approach is a valuation approach commonly used in acquisition and disposal transactions by listed companies in Hong Kong. This method relies on the selection of market comparables. While inherent limitations exist due to differences in business segment composition and scale among companies, the Valuer has applied reasonable criteria to select the most suitable comparables by considering company size, profitability, and the inclusion of a sufficient number of entities to ensure a fair and reasonable basis for comparison.

Additional financial information of the Adorable Group

The table below summarises (1) the consolidated revenue and net profit/(loss) of the Adorable Group and (2) the revenue and net profit/(loss) of each of Adorable, Wanhai Securities and Wanhai SP for the financial year ended 31 March 2025.

For the year ended 31 March 2025	**Adorable Group** (unaudited)
Consolidated revenue (HK$)	43,193,384
Consolidated net profit/(loss) (HK$)	11,952,217

For the year ended 31 March 2025	Adorable (unaudited)	Wanhai Securities (unaudited)	Wanhai SP (unaudited)	Total (unaudited)
Revenue (HK$)	–	51,070,560	2,968	51,073,528
Net profit/(loss) (HK$)	(79,143)	10,857,686	(4,258)	10,774,285

There is difference between the consolidated results of the Adorable Group and the total of those for Adorable, Wanhai Securities, and Wanhai SP for the same year ended 31 March 2025 (i.e. net profit of HK$11,952,217 and HK$10,774,285), which arises because Wanhai Securities and Wanhai SP became wholly-owned subsidiaries of Adorable in June 2024 and July 2024 respectively. Therefore, the consolidated results of the Adorable Group do not include the results of Wanhai Securities and Wanhai SP for the entire financial year ended 31 March 2025.

The turnaround from loss to profit for Wanhai Securities for the year ended 31 March 2025 is mainly due to the increase in brokerage fees and commission from debt capital market (DCM) projects completed during the year. Such revenue is usually on a project-based basis and is not recurring.

Additional information on the reasons of the Deemed Disposal

The net proceeds from the Subscriptions is HK$14.5 million, approximately HK$1.8 million of which will be directly applied to fund the consideration for the Acquisitions and the remaining balance of approximately HK$12.7 million (the "**Sum**") will be used to support the working capital and operational needs of Wanhai Securities, Wanhai SP and the FSH Group.

As one of the key subsidiaries of the Company, Wanhai Securities is involved in bond issuance & placing activities and underwriting. Its core bond-related business has been impacted by the gradual decline in market interest rates which has reduced the attractiveness of the bond market and adversely affected its business performance. To enhance its revenue, Wanhai Securities is contemplating commencing securities margin financing business and launching a virtual asset trading platform for virtual asset transactions. These proposals require additional capital. The Sum will be applied to these proposals if they materialise.

The Board has considered other fundraising options such as issuing corporate bonds and issuing new shares. After evaluating the costs associated with these options, the Board agrees that the Subscription is the best option for now.

THE ACQUISITIONS

Additional financial information of the FSH Group

The table below summarises (1) the consolidated revenue and net profit/(loss) of the FSH Group and (2) the revenue and net profit/(loss) of each of FSH, HKICM and Huagang Tongda for the financial year ended 31 December 2024.

For the year ended 31 December 2024	**FSH Group** (unaudited)
Consolidated revenue (HK$)	1,627,313
Consolidated net profit/(loss) (HK$)	1,805,171

For the year ended 31 December 2024	**FSH** (unaudited)	**HKICM** (unaudited)	**Huagang Tongda** (unaudited)	**Total** (unaudited)
Revenue (HK$)	730,000	1,104,853	3,742,054/ RMB3,470,972	5,249,994 *(Note)*
Net profit/(loss)(HK$)	(839,213)	(25,211,479)	1,834,581/ RMB1,701,680	(24,216,111)

Note: An intragroup expense of RMB300,000 (equivalent to HK$326,913) paid from FSH to Huagang Tongda is excluded in the total column.

There is difference between the consolidated results of the FSH Group and the total of those for FSH, HKICM, and Huagang Tongda for the year ended 31 December 2024 (i.e. net profit of HK$1,805,171 and loss of HK$24,216,111), which arises because both HKICM and Huagang Tongda were acquired by FSH in August 2024, and FSH together with HKICM and Huagang Tongda was acquired by Adorable in October 2024. Therefore, the consolidated results of the FSH Group do not include the results of FSH, HKICM and Huagang Tongda for the entire financial year ended 31 December 2024.

ICM recorded substantial loss of HKICM arising from the one-off written off of loan receivables due from former holding company of approximately HK$21,956,000 by HKICM in August 2024 (i.e., before HKICM became a wholly-owned subsidiary of FSH), such loss was not consolidated into the account of the FSH Group for the year ended 31 December 2024.

The turnaround from loss to profit for FSH Group for the year ended 31 December 2024 as compared to the loss of HK$42,314 for the year ended 2023 was mainly due to a gain on bargaining purchases of approximately HK$2,557,000 arising from the acquisition of HKICM by FSH in August 2024.

This announcement is supplemental to, and should be read in conjunction with the Announcement. The above additional information does not affect other details and content set forth in the Announcement. Save as disclosed herein, all other contents of the Announcement remain unchanged and continue to be valid for all purposes.

By Order of the Board
Hunlicar Group Limited
Cheung Lit Wan Kenneth
Chairman

Hong Kong, 23 December 2025

As at the date of this announcement, the executive Directors are Mr Cheung Lit Wan Kenneth, Mr Chan Wing Sum and Ms Luo Ying; and the independent non-executive Directors are Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel.