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Jiu Rong Holdings Limited
久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2358)

INSIDE INFORMATION SUPPLEMENTAL ANNOUNCEMENT ON TERMINATION OF THE POTENTIAL DISPOSAL OF A SUBSIDIARY, REFUND OF ADVANCE PAYMENT AND UPDATES ON THE BUSINESS OPERATIONS OF THE GROUP

This announcement is made by Jiu Rong Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 4 February 2026 (the "**Announcement**") in relation to, among others, the termination of the potential disposal, refund of advance payment and demand for repayment of the Advance Payment in the aggregate amount of RMB205,000,000 (the "**Demand for Repayment**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

DETAILS OF THE DEBT SWAP AGREEMENT

The Company wishes to provide further details regarding the debt swap agreement (the "**Swap Agreement**") entered into on 15 September 2025, as disclosed in the annual report of the Company dated 30 September 2025 (the "**Annual Report**").

Name discrepancy clarification of the counterparty to the Swap Agreement

The counterparty to the Swap Agreement is Hangzhou Soyea Park Development Co., Ltd. (formerly known as Hangzhou Westlake Soyea Software Park Co., Ltd.) (the "**Buyer**"). Both the Buyer and its 100% holding company, Westlake Electronics Group Co., Ltd. ("**Westlake Electronics**"), are independent third parties to the Company and its connected persons (within the meaning of the Listing Rules), and their ultimate beneficial owner is the Hangzhou Municipal People's Government.

Regarding the discrepancy in the English names mentioned in the Announcement and the Annual Report, the Company has further enquired with the creditor and confirmed that "Westlake Electronics Group Co., Ltd." is the English name adopted for identification purposes of "西湖電子集團有限公司". The name used in the Announcement was a transliteration based on Mandarin Pinyin (i.e., "**Xihu Electronics**") due to an inadvertent inconsistency during the translation process, whereas the Annual Report adopted the official corporate name. The Company confirms that the entity referred to in both the Announcement and the Annual Report is the same legal entity. The Company will ensure the consistent use of the same English translation in future disclosures.

Background and mechanics of the Swap Agreement

During the negotiation of the Potential Disposal, in order to clarify and streamline the debtor-creditor relationships of the Group, the Buyer and Westlake Electronics initiated Soyea Jiu Rong Technology Co., Ltd. ("**Debtor 1**") and Hangzhou Yunqi Cloud Data Limited ("**Debtor 2**"), both being wholly-owned subsidiaries of the Company, entered into the Swap Agreement with Westlake Electronics and the Buyer. As the debtor, the Group was unable to exert a material influence on the discussions regarding the debt swap arrangement. The Board considers that the Swap Agreement is a re-alignment of the Group's liabilities initiated by the Buyer and Westlake Electronics which results in no material financial or operational impact to the Group as a whole.

Pursuant to the Swap Agreement, the parties agreed to swap all creditor rights of Westlake Electronics against Debtor 1 with an equivalent portion of the Buyer's creditor rights against Debtor 2. The following table sets out the status of loans and collateral before and after the Swap Agreement:

Item	Creditor	Debtor	Amount and Nature of Subject Debt	Loan Term	Loan Purpose	Collateral/Security Interest
Before Swap						
Original Agreement 1	Westlake Electronics	Debtor 1	Loan principal of RMB148,600,000 (Interest rate 6% p.a.)	12 January 2024 to 11 January 2025	Supplementing daily working capital	1. 20 property units (the "**Mortgaged Properties**") 2. 46% equity interest in Heilongjiang Xin Luzhou Real Estate Development Limited ("**Xin Luzhou Equity Interest**") 3. Trade receivables (principal of approx. RMB99,110,000) ("**Mortgaged Trade Receivables**")
Original Agreement 2	Buyer	Debtor 2	Interest-free advance payment of RMB165,000,000	28 June 2024 to 31 December 2025	Advance payment received in relation to disposal of equity interest in Lu Yun	1. Trade receivables (total approx. RMB197,000,000)
			Interest-free advance payment of RMB40,000,000	30 August 2024 to 31 December 2025		2. 5 smart TV production lines ("**Mortgaged Production Lines**")

Item	Creditor	Debtor	Amount and Nature of Subject Debt	Collateral/Security Interest
After Swap				
Debt relationship A	Westlake Electronics	Debtor 2	Interest-free advance payment of approx. RMB159,450,000	Security interests under Original Agreement 2
Debt relationship B	Buyer	Debtor 1	Approx. RMB60,337,000 and its accrued interest (Note 1)	Security interests under Original Agreement 1 (i.e. Mortgaged Properties and Xin Luzhou Equity Interest, after deducting Mortgaged Trade Receivables)
Debt relationship C	Buyer	Debtor 1	Remaining unswapped interest-free advance payment of approx. RMB45,550,000	No collateral

Note 1: This amount is not a new loan. Upon completion of the Swap Agreement, the Buyer assumed the creditor's rights against Debtor 1 (comprising principal plus accrued interest totalling approximately RMB159,450,000). After offsetting the relevant Mortgaged Trade Receivables of approximately RMB99,110,000 under Original Agreement 1, the remaining net debt balance secured by the Mortgaged Properties is approximately RMB60,337,000 as at 30 January 2026. Therefore, failure to repay this amount within the specified timeframe will entitle the Buyer to dispose of the Mortgaged Properties in accordance with the law.

Commercial rationale for the Swap Agreement

As both the Buyer and Westlake Electronics are ultimately controlled by the Hangzhou Municipal People's Government, the Board considered that swapping the creditor rights between the Buyer, Westlake Electronics, Debtor 1 and Debtor 2 would be conducive to streamlining the debtor-creditor relationships during the Group's negotiation of the Potential Disposal.

DISPOSAL RIGHTS OF THE MORTGAGED PROPERTIES

Regarding the disposal arrangements of the Mortgaged Properties, the Company hereby clarifies that although the creditor's rights (including the secured interest over the Mortgaged Properties) under the Original Agreement 1 have been assigned to the Buyer, for the purpose of simplifying administrative procedures, the change of mortgage registration has yet to be processed. Pursuant to the relevant provisions of the Civil Code of the People's Republic of China, as confirmed by the Group's PRC legal advisors, where a creditor transfers its rights, the transferee shall acquire the accessory rights (such as mortgage rights) associated with such creditor's rights; the acquisition of such accessory rights by the transferee shall not be affected by the failure to process the transfer registration procedures for such accessory rights or the failure to transfer the possession thereof.

Therefore, although the legal registration of the mortgage remains under Westlake Electronics, it does not affect the Buyer's ability to exercise mortgage rights over the Mortgaged Properties. In the event of default, the Buyer is entitled to direct Westlake Electronics or act upon legal authorization to exercise disposal rights (including auction or sale) over the Mortgaged Properties to satisfy the relevant liabilities. In this connection, the Buyer and Westlake Electronics served a repayment notice to the Group requiring the repayment of all outstanding amounts within 30 calendar days upon receipt of the notice. The Group received the said notice on 3 February 2026, and the relevant repayment fell due on 5 March 2026. As such, a default has occurred as at the date of this announcement. Notwithstanding the default, the Group has been proactively communicating and negotiating with the relevant parties to seek a loan extension and alternative settlement solutions. As at the date of this announcement, the Group and the relevant parties are still in the process of negotiation. This arrangement ensures that the creditor's rights are fully protected under the law despite the pending administrative updates.

NATURE, BUSINESS SEGMENT AND ACCOUNTING TREATMENT OF THE MORTGAGED PROPERTIES

The Mortgaged Properties are held by Lu Yun, an indirect wholly-owned subsidiary of the Company, with a total gross floor area of approximately 6,419 square metres, and their fair value as at 30 June 2025 was approximately HK$85,129,000. These properties are of a commercial nature, belong to the Group's Property Investment segment, and are primarily held for earning rental income.

In the financial statements, these units are classified as “investment properties” in accordance with Hong Kong Accounting Standard 40 and measured using the fair value model. According to the valuation by Cushman & Wakefield, the fair value of the entire investment properties of the Group as at 30 June 2025 was HK$611,061,000. If the Mortgaged Properties were disposed of in accordance with the law, the remaining total area of the Group’s investment properties would be approximately 36,071 square metres, with a corresponding total fair value of approximately HK$525,932,000.

NATURE AND CURRENT STATUS OF MORTGAGED PRODUCTION LINES

The Mortgaged Production Lines under Original Agreement 2 belong to the Group’s Digital Video Business segment. As disclosed in previous announcements, the Group has ceased the R&D and production of smart TVs since July 2025. Therefore, the production lines are currently in a vacant state (vacant facilities). As at 30 June 2025, the book value of these production lines had been written down to a scrap value of approximately HK$1,889,000.

IMPACT ON BUSINESS OPERATIONS

The Company confirms that the Group’s major business segments remain under normal operation in all material respects despite the Demand for Repayment:

Digital Video Business: Although the Group ceased the R&D and production of smart TVs in July 2025, the Group remains committed to the design, arrangement of OEM production, and provision of integrated solutions for digital audio-video, telecommunications, and internet applications. The decision to terminate heavy-asset production operations, including the closure of factories, was strategically made to mitigate intense market competition and the escalating costs of site rental, human resources, and equipment maintenance. In light of the current working capital shortage, the management has pivoted towards a light-asset operational model, prioritising the allocation of remaining capital to operations with higher potential returns. Despite a temporary slowdown, the Company emphasises that there is no current plan or intention to cease or dispose of the digital video business in the foreseeable future, and will continue to maintain its market presence through design-led and OEM-contracted arrangements.

New Energy Vehicle Business: Regarding the new energy vehicles and related products, as well as the construction and management of charging facilities business, the Group's operations remain as usual. Following the disposal of eleven bus charging stations, as at 31 January 2026, the Group continues to operate a total of 80 charging stations, all of which are located in Hangzhou. The scale of the remaining network demonstrates the Group's substantial operational strength and its capability for sustainable business development in this segment.

Properties Development and Properties Investment: While the sale of properties in the Harbin project was affected by the real estate market sentiment, the Group has shifted its focus to continuing to earn stable rental income from the commercial and residential properties within the Big Data Industrial Parks. The daily leasing management of investment properties in Hangzhou also remains stable, providing consistent cash flow to the Group.

General Trading: This segment is temporarily affected by the freezing of certain bank accounts. Specifically, as the frozen accounts have led to the inability to settle and pay certain trade payables, certain customers have cancelled their original trading plans. However, such cancellations do not involve any default penalties against the Group at this stage.

REMEDIAL ACTIONS AND LIQUIDITY MANAGEMENT

In response to the Demand for Repayment, the representatives of the Group held in-person communications with the Buyer to actively negotiate a repayment plan. Simultaneously, the Group is taking measures to address liquidity pressures, including accelerating asset disposal arrangements, negotiating loan extensions with banks, and broadening financing channels.

The Board will continue with optimising revenue streams, to ensure the smooth business operation of the Group in all material respects and maximizing shareholder value. The Board will assess and monitor the impact (if any) of the Demand for Repayment on the business operations and financial performance of the Group and take appropriate measures, including publication of announcement(s) in relation to the business operations of the Group, as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 March 2026

As at the date of this announcement, the Executive Directors are Mr. Chen Yunxiang and Mr. Yan Zhendong, and the Independent Non-executive Directors are Mr. Hua Nengdong, Mr. Wong Po Keung and Ms. Lu Ruidi.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.