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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)

QUARTERLY UPDATE ON THE STATUS OF THE IMPLEMENTATION OF THE ACTION PLAN TO ADDRESS THE DISCLAIMER OF OPINION

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 annual report of the Company for the eighteen months ended 30 June 2025 (the “**2024/25 Annual Report**”), and the Company’s announcements dated 19 November 2025, 26 February 2026 and 22 May 2026 regarding the implementation of the action plan to resolve the auditors’ disclaimer of opinion (collectively, the “**Previous Announcements**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the 2024/25 Annual Report and the Previous Announcements.

I. BACKGROUND OF THE DISCLAIMER OF OPINION

As disclosed in the 2024/25 Annual Report, the independent auditors issued a disclaimer of opinion on the Group's consolidated financial statements, primarily due to material uncertainties regarding going concern. Simultaneously, the auditors expressed a qualified opinion in respect of a scope limitation on the audit of trade and other receivables. The Company has formulated a specific action plan and has been continuously advancing its implementation. The latest quarterly implementation status is announced as follows.

II. ACTION PLAN TO RESOLVE THE DISCLAIMER OF OPINION AND QUARTERLY IMPLEMENTATION STATUS

To resolve the material uncertainty related to going concern, the Group has been committed to enhancing the efficiency of its principal businesses, disposing of certain assets to reduce liabilities, negotiating debt restructuring plans with creditors, and broadening financing channels. The progress of the four action plans in this quarter was as follows:

1. Asset disposal

(1) Disposal of 11 new energy public transport charging stations in Hangzhou

The asset transfer procedures for the 11 new energy public transport charging stations located in Hangzhou were completed by the Group in July 2026, and the relevant joint operation agreement also formally came into effect in July 2026. During the transfer process, the transaction parties conducted on-site inventory and verification of the assets of the 11 stations. It was ultimately confirmed that there were minor discrepancies between the transfer list and the asset list set out in the valuation report. Accordingly, the asset transaction price was adjusted, and the adjusted consideration was approximately RMB184.4 million.

The proceeds from this asset transaction were applied as follows: approximately RMB83.97 million was used to repay the borrowings of Jiu Rong New Energy Science and Technology Limited* (“**Jiu Rong New Energy**”) from China Construction Bank Corporation Hangzhou Zhongshan Sub-branch; approximately RMB23.85 million was used to settle the relevant PRC tax expenses arising from the disposal; approximately RMB42.68 million was used to repay part of the principal amount of the indebtedness owed to Westlake Electronics Group Co., Ltd. (“**Westlake Electronics**”); and the remaining proceeds were used to supplement the working capital of the Group. For details, please refer to the Company’s announcements dated 27 May 2025, 22 October 2025, 24 December 2025, 28 December 2025, 16 January 2026 and 15 July 2026.

(2) *Disposal of production lines and related auxiliary equipment*

On 25 June 2026, Zhejiang Jiu Rong Intelligent Technology Limited., an indirect wholly-owned subsidiary of the Company, disposed of five idle panel display smart production lines and a batch of related production line auxiliary and testing equipment through the online trading platform of Hangzhou Equity Exchange Co., Ltd. via a public auction, at a total consideration of RMB6.05 million (inclusive of tax). This disposal enabled the Group to realise the residual value of its idle manufacturing assets, reduce maintenance and storage costs, and alleviate liquidity pressure. The net proceeds from the disposal amounted to approximately RMB5.35 million, which were primarily used to repay the outstanding loans secured by the relevant pledges. For details, please refer to the Company’s announcement dated 25 June 2026.

2. Negotiation on overdue debts

(1) Debt negotiation with Westlake Electronics Group Co., Ltd.

As disclosed in the Previous Announcements, in respect of the litigation between the Group and Westlake Electronics regarding the overdue loan of RMB230.00 million, the Hangzhou Intermediate People's Court issued a civil mediation document on 19 May 2026. As Jiu Rong New Energy failed to perform its repayment obligations in accordance with the civil mediation document, Westlake Electronics applied to the Hangzhou Intermediate People's Court for compulsory enforcement.

On 14 July 2026, Jiu Rong New Energy, Hangzhou Lu Yun Property Limited* and Soyea Jiu Rong Technology Co., Ltd.*, all being subsidiaries of the Company, entered into an "Execution Settlement Agreement" with Westlake Electronics, pursuant to which Jiu Rong New Energy undertakes to assign its creditor's right of approximately RMB42.68 million against Hangzhou West Lake New Energy Technology Co., Ltd.* to Westlake Electronics, in repay part of the loan principal owed by Jiu Rong New Energy to Westlake Electronics under the Civil Mediation Statement. Westlake Electronics will cooperate with Jiu Rong New Energy to complete the registration procedures for the change of mortgage rights over the 11 new energy public transportation charging stations. Except for the 11 new energy public transportation charging stations as stipulated in the Execution Settlement Agreement, the remaining collateral assets under this litigation shall continue to be subject to execution procedures by the court in accordance with legal procedures. For details, please refer to the Company's announcements dated 15 July 2026 and 3 August 2026.

(2) *Litigation settlement with Hangzhou United Rural Commercial Bank Co., Ltd.*

On 16 July 2026, the Group received the settlement records signed in the court by the plaintiffs and the defendants in two of the five litigations cases with Hangzhou United Rural Commercial Bank Co., Ltd. (“**United Bank**”), and the relevant settlement arrangements are made in accordance with the terms of the original loan agreements. The details of the settlement of the two cases are set out below:

Case No. (2026) Zhe 0106 Min Chu No. 1242: The subject matter of the litigation was the principal amount of RMB153.0 million together with the corresponding interest, compound interest and penalty interest. Pursuant to the repayment arrangement, RMB18.00 million of the principal amount shall be repaid on or before 20 June 2027, and the remaining principal amount of RMB135.00 million shall be repaid in accordance with the term stipulated in the original loan agreement; the relevant interest, penalty interest and compound interest shall continue to be calculated in accordance with the standards stipulated in the original loan agreement.

Case No. (2026) Zhe 0106 Min Chu No. 1244: The subject matter of the litigation was the principal amount of RMB5.98 million together with the corresponding interest, compound interest and penalty interest. Pursuant to the repayment arrangement, the principal amount together with the interest, compound interest and penalty interest outstanding as at 7 July 2026, totalling approximately RMB0.15 million (with interest, compound interest and penalty interest thereafter shall be calculated in accordance with the relevant regulatory provisions of the People’s Bank of China and the standards stipulated in the loan contract until the date of full actual settlement), and all the aforesaid amounts shall be paid on or before 31 October 2026.

The remaining three litigation cases (Case Nos. (2026) Zhe 0106 Min Chu No. 1247, (2026) Zhe 0106 Min Chu No. 1252 and (2026) Zhe 0106 Min Chu No. 1255 respectively) are currently being continuously heard by the Xihu District People's Court of Hangzhou City. The Group will continuously monitor the progress of the cases and actively defend the proceedings to safeguard the lawful rights and interests of the Group. For details, please refer to the Company's announcement dated 17 July 2026.

(3) *Litigation settlement with Bank of Communications Co., Ltd.*

As disclosed in the Previous Announcements, Bank of Communications Co., Ltd. Hangzhou Gongshu Sub-branch ("**Bank of Communications**") instituted legal proceedings against Hangzhou Lu Yun Property Limited*, a subsidiary of the Group, in respect of a financial loan contract dispute (Case No.: (2026) Zhe 0102 Min Chu No. 6794). The court hearing of this litigation was held on 13 May 2026 at the Shangcheng District People's Court of Hangzhou City, and the two parties reached the following principal terms through mediation: 1) Hangzhou Lu Yun Property Limited* shall repay the principal amount of RMB49.00 million together with the corresponding accrued interest and overdue penalty interest to Bank of Communications on or before 31 August 2026; 2) Bank of Communications shall have the priority rights in receiving repayment over the proceeds from the discount, auction or sale of the collateral. For details, please refer to the Company's announcements dated 2 March 2026, 20 April 2026 and 14 May 2026.

3. Renewal and refinancing of bank facilities

From the date of the last quarterly update announcement to the date of this announcement, in addition to the aforementioned bank litigation settlements, the Group has successfully entered into renewal and extension agreements for interest-bearing loans aggregating approximately RMB100.60 million, of which RMB75.00 million has been extended to February 2027 and RMB25.60 million has been extended to July 2027.

The Group maintains good communication with its lending banks and is actively advancing financing negotiations to further strengthen liquidity support.

4. Working capital supplement and cost optimisation

The Group continues to review its principal businesses with a view to enhancing business efficiency and expanding revenue to supplement working capital, thereby strengthening market confidence. During this quarter, the Group conducted site visits and exchange discussions with several companies engaged in the new energy charging and battery swapping business, planning to further expand the new energy charging station agency joint operation business and grow the revenue scale of the new energy business through an asset-light model. As regards the property business, affected by the macroeconomic conditions of the real estate sector, the progress of the Group's property sales, leasing and the construction of its jointly-owned property companies has fallen short of expectations. The Group is stepping up its overall leasing promotion efforts to broaden its sources of income, and is simultaneously negotiating debt restructuring plans with relevant creditors to revitalise its property assets as soon as possible to resolve its indebtedness.

The Group will continue to strive to improve business quality while intensifying the collection of accounts receivable, strengthening cost control, strictly reducing administrative expenses, optimising human resource allocation, and enhancing operational efficiency.

III. QUARTERLY PROGRESS ON MATTERS WITH QUALIFIED OPINION DUE TO AUDIT SCOPE LIMITATIONS

1. Trade receivables from Banco Nationale de Cuba

During this quarter, the Group maintained email and telephone communications with Banco Nationale de Cuba and the Cuban debtor enterprises. In June 2026, the Group reached a preliminary consensus with one of the debtor entities on partial repayment; however, due to certain obstacles in the repayment channel, the funds have not yet been received. Neither Banco Nationale de Cuba nor the various debtor entities have repudiated their debts, and all have stated that the current repayment uncertainty is caused by objective factors such as fundraising, foreign exchange coordination and actual payment channels. Although specific payment arrangements have not yet been finalised, all parties have been actively seeking solutions for debt settlement.

From the date of the last quarterly update announcement to the date of this announcement, the Group has not received any further repayments. After careful assessment, the Board maintains that no impairment provision should be made in respect of the relevant receivables. The delayed payments were mainly due to Cuba's foreign exchange controls and the international environment, rather than the deterioration of the creditworthiness of the debtors. The Group will continue to provide complete reconciliation documents and repayment vouchers to the auditors to facilitate the removal of the audit scope limitation.

2. Other receivables from former executive director Mr. Siu Chi Ming

The Group's legal proceedings against Mr. Siu Chi Ming are ongoing. Witness statements were exchanged with the defendant in July 2026, and the Group is currently awaiting the court's scheduling of the hearing.

In July 2026, the Company learned that the property of Mr. Siu Chi Ming located at Wing Shun Street, Tsuen Wan, New Territories, which had been frozen in this case, had been sold by Bank of Communications (Hong Kong) Limited, the mortgagee of the property. After settling the amounts owed to Bank of Communications (Hong Kong) Limited, the surplus proceeds were deposited into an account opened by the defendant with The Hongkong and Shanghai Banking Corporation Limited (which account is currently frozen in this case). The Group continues to monitor the disposal progress and the residual value distribution, and will timely provide the latest legal documents, asset disclosure information and court rulings to the auditors to assist in assessing the recoverable amount.

IV. SAFEGUARD MEASURES TO ENSURE EFFECTIVE IMPLEMENTATION OF THE ACTION PLAN

To effectively resolve the auditors' disclaimer of opinion and the audit scope limitation, the Company has established a comprehensive implementation safeguard mechanism:

1. The Board exercises overall supervision, with executive directors taking special responsibility and regularly assessing the completion status;
2. All asset disposals, debt restructurings and financing renewals are evidenced by written agreements, with all funds deposited in full and complete vouchers retained;
3. Maintain regular communication with the auditors and provide sufficient and appropriate audit evidence in a timely manner;
4. Strictly comply with disclosure obligations in accordance with the Listing Rules to ensure transparency of progress;
5. Continuously optimise operational and financial structures, stabilise operating cash flows, and eliminate the material uncertainty related to going concern as soon as possible.

The Board will continue to exert its best efforts to implement the action plan. The Company will publish an announcement every three months from the date of this announcement until the disclaimer of opinion is resolved. The Company may also publish separate announcements on any material updates at the appropriate time.

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, 21 August 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 between the English and Chinese versions of this announcement, the English version shall prevail.

* *For identification purpose only*