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Sunfonda Group Holdings
SUNFONDA GROUP HOLDINGS LIMITED
新豐泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01771)

MAJOR TRANSACTION
DISPOSAL OF THE TARGET COMPANY

THE DISPOSAL

The Board announces that on 14 October 2026 (after trading hours), the Vendors (each being an indirect wholly-owned subsidiary of the Company), entered into the Equity Transfer Agreement with the Purchasers (each being an independent third party), pursuant to which, the Purchasers had conditionally agreed to acquire and the Vendors had conditionally agreed to sell all the equity interests in the Target Company for a total consideration of RMB20.30 million. In addition, the Purchasers also agreed to provide a loan to the Target Company for settling the loan owed by the Target Company to Sunfonda Technology Development in the amount of RMB14.94 million. As at the date of this announcement, the Target Company owns the Target Property which is located at Xingchuang 4th Road, Wuxi City, Jiangsu Province.

Upon Completion, the Group will cease to have any interests in the Target Company and the Target Property. As such, the financial results of Target Company and the Target Property will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 25% but are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder.

The Company has obtained a written approval from Top Wheel, a controlling shareholder of the Company interested in 434,183,000 shares of the Company (representing approximately 72.36% of the issued share capital of the Company) as at the date of this announcement. The issued share capital of Top Wheel is owned as to 70% by Golden Speed, a company wholly-owned and controlled by Mr. Wu Tak Lam, and 30% by Win Force, a company wholly-owned and controlled by Ms. Chiu Man, the spouse of Mr. Wu Tak Lam. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, the Circular containing, among other things, details of the Disposal shall be despatched within 15 business days after publication of the Announcement. As more time is required for the Company to prepare the information to be included in the Circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules so that the despatch date of the Circular can be postponed to a date more than 15 business days after the publication of the Announcement, which is expected to be on or before 25 November 2026.

GENERAL

Completion is conditional upon fulfillment of the conditions precedent set out in the Equity Transfer Agreement. There is no assurance that Completion will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

THE DISPOSAL

The Board announces that on 14 October 2026 (after trading hours), the Vendors (each being an indirect wholly-owned subsidiary of the Company), entered into the Equity Transfer Agreement with the Purchasers (each being an independent third party), pursuant to which, the Purchasers had conditionally agreed to acquire and the Vendors had conditionally agreed to sell all the equity interests in the Target Company for a total consideration of RMB20.30 million. In addition, the Purchasers also agreed to provide a loan to the Target Company for settling the loan owed by the Target Company to Sunfonda Technology Development in the amount of RMB14.94 million. As at the date of this announcement, the Target Company owns the Target Property which is located at Xingchuang 4th Road, Wuxi City, Jiangsu Province.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date: 14 October 2026

Parties: (1) Sunfonda Automobile and Sunfonda Technology Development (each being an indirect wholly-owned subsidiary of the Company), as the Vendors; and

(2) Shen Xuelong and Sun Qian, as the Purchasers.

Assets to be disposed: (1) the entire equity interests of the Target Company; and

(2) the Target Property.

For details of the Target Company and the Target Property, please refer to the paragraph headed “Information on the Target Company and the Target Property” in this announcement.

Consideration and Payment Arrangement: The total consideration payable by the Purchasers to the Vendors in respect of the Disposal shall be RMB20.30 million (“**Disposal Consideration**”), and the amount payable to each Vendor shall be proportionate to its respective percentage of shareholding in the Target Company. In addition, the Purchasers agreed to provide a loan to the Target Company for settling the loan owed by the Target Company to Sunfonda Technology Development in the amount of RMB14.94 million (“**Purchasers’ Loan**”).

The Disposal Consideration and the Shareholder's Loan are to be settled as follows:

- (1) an earnest money of RMB1.825 million has been paid to the Vendors by the Purchasers on 29 August 2026. The earnest money shall automatically become the Performance Deposit of the Purchaser as at the Execution Date;
- (2) seven days after the Execution Date, the parties shall open escrow accounts in a commercial bank in the PRC ("**Escrow Accounts**") for the purpose of supervising the transfer of the Disposal Consideration and the Purchasers' Loan. The Purchaser shall, (i) on the date of the Escrow Accounts being opened, remit RMB18.475 million (being the remaining balance of the Disposal Consideration after deducting the Performance Deposit) and the partial Purchasers' Loan of RMB4.94 million to the Escrow Accounts; and (ii) within 50 days after the Execution Date and prior to the publication of the Circular by the Company, remit the remaining Purchasers' Loan of RMB10 million to the Escrow Accounts (collectively, the "**Escrow Funds**"); and
- (3) The Escrow Funds shall be remitted to the Vendors on Completion Date.

Conditions Precedent to the Disposal:

The Disposal is conditional upon the fulfillment or waiver of all the following conditions precedent:

- (1) each party having completed and obtained all necessary internal approvals, permits, consents, approvals, registrations or filings from government authorities and any other third-party consents (if required) for the execution and performance of the Equity Transfer Agreement, including obtaining the written approval from the Stock Exchange for the publication and despatch of the Circular by the Company for the Disposal;
- (2) the Purchasers having remitted the Escrow Funds to the Escrow Accounts; and
- (3) the Vendors having procured the release of the existing mortgage on the Target Property and completed the registration of the cancellation of such mortgage.

Completion:

Within three business days after the fulfillment or waiver (if applicable) of all the conditions precedent to the Disposal, the Vendors and the Purchasers shall prepare and submit the application documents to the competent market supervision authority of the Target Company to complete the change of registration and filing procedures reflecting the following:

- (i) the transfer of all the equity interests in the Target Company owned by the Vendors to the Purchasers, and upon the completion of which, the Purchasers will own 100% equity interests in the Target Company;
- (ii) the change of the Target Company's name to a new registrable name as requested by the Purchaser ten business days after the expiry of the lease;
- (iii) the change of the legal representative, directors, supervisors, and manager of the Target Company to personnel designated by the Purchasers; and
- (iv) the necessary amendments to the articles of association of the Target Company.

Completion shall take place on the date when the Target Company completes the change of registration and filing procedures.

Basis of determining the consideration under the Equity Transfer Agreement

The consideration under the Equity Transfer Agreement was determined based on negotiations between the Vendors and the Purchasers on arm's length basis taking into account (i) the market value of the entire equity interests in the Target Company as at 30 September 2026 of approximately RMB20.15 million according to the valuation report prepared by an independent property valuer based on the asset-based approach (covering all assets and related liabilities of the Target Company) (the "**Valuation**"); (ii) the prevailing market conditions; and (iii) the factors as set out in the paragraph headed "Reasons for and Benefits of the Disposal" below.

A summary of the Valuation will be disclosed in the Circular to be despatched.

The consideration represents a premium of approximately 0.74% to the Valuation of the Target Company of approximately RMB20.15 million.

In arriving at its appraisal result, the independent valuer had, among others, assumed that:

- (1) the information provided has been prepared on a reasonable basis after due and careful consideration by the management of the Target Company;

- (2) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry;
- (3) there will be no major changes in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- (4) there will be no major changes in the political, legal, economic or financial conditions in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;
- (5) interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;
- (6) the core business operation of the Target Company will not differ materially from those of present or expected; and
- (7) the information regarding the Target Company provided by the management of the Target Company is true and accurate.

The Board is of the view that the scope, methodologies and assumptions adopted by the independent valuer in respect of the equity interests in the Target Company are fair and reasonable.

INFORMATION ON THE TARGET COMPANY AND THE TARGET PROPERTY

The Target Company is a company established in the PRC with limited liability. As at the date of this announcement, the Target Company is directly owned as to 60% and 40% by Sunfonda Automobile and Sunfonda Technology Development, respectively, and is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, the Target Company owns the Target Property and is engaged in leasing of the Target Property.

Upon Completion, the Group will cease to have any interests in the Target Company and the Target Property. As such, the financial results of Target Company and the Target Property will no longer be consolidated into the financial statements of the Group.

Set out below is the unaudited financial information of the Target Company for the two financial years ended 31 December 2025:

	For the financial year ended 31 December	
	2024	2025
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Revenue	50,508	4,522
Net profit/(loss) before taxation	(310)	(344)
Net profit/(loss) after taxation	1,588	(412)

Based on the unaudited financial information of the Target Company, the total assets value and net assets value of the Target Company were approximately RMB24.05 million and RMB6.97 million respectively as at 30 September 2026.

The Target Property comprises a parcel of land located at Xingchuang 4th Road, Wuxi City, Jiangsu Province, the PRC with a land area of 6,176.1 sq.m. for wholesale and retail purposes with the land use rights which will expire in July 2053, and a shopfront erected thereon with a gross floor area of 6,259 sq.m. As at the date of this announcement, the shopfront on the Target Property was leased to an independent third party for commercial use.

INFORMATION ON THE COMPANY AND THE VENDORS

The Company is an investment holding company. The Group is principally engaged in the sale and service of motor vehicles in the PRC.

Each of Sunfonda Automobile and Sunfonda Technology Development is a company established in Xi'an City, Shaanxi Province, the PRC under the laws of the PRC with limited liability. As at the date of this announcement, each of Sunfonda Automobile and Sunfonda Technology Development is an indirect wholly-owned subsidiary of the Company. Sunfonda Automobile principally engages in sale and service of motor vehicles, and Sunfonda Technology Development principally engages in providing consulting services to its subsidiaries.

INFORMATION ON THE PURCHASERS

The Purchasers are Shen Xuelong (沈雪龍) and Sun Qian (孫茜). To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchasers are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Based on the needs of the Company's strategic development, the Group has decided to carry out the Disposal of the Target Company to improve the Group's results of operations and realize further enhancement of the quality and efficiency of its business. The Disposal is beneficial to improving the Group's asset utilization rate, optimizing its financial position and asset liquidity and focusing on the development of its core business to achieve economic benefits and sustainable development.

Having made prudent assessments on the above and considered the prevailing market conditions, the Directors are of the view that it would be beneficial for the Company and its stakeholders (including its Shareholders) as a whole to pursue the Disposal and generate liquidity for the Group.

The terms of the Equity Transfer Agreement were determined after arm's length negotiations between the parties thereto and the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

It is expected that the Group will realise an unaudited gain (before tax) of approximately RMB13.33 million on the Disposal, which is calculated by reference to the total consideration for the Disposal less the unaudited carrying amount of the net assets of the Target Company as at 30 September 2026. The actual gain or loss resulting from the Disposal expected to be recognized in the income statement of the Company will be further adjusted and subject to audits of the Company.

The sales proceeds from the Disposal are intended to be used as general working capital of the Group for its development of main business. In particular, the sales proceeds are intended to be used as to (i) 85% on automobile procurement; (ii) 10% on spare parts procurement; and (iii) 5% on daily operation capital.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 25% but are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder.

The Company has obtained a written approval from Top Wheel, a controlling shareholder of the Company interested in 434,183,000 shares of the Company (representing approximately 72.36% of the issued share capital of the Company) as at the date of this announcement. The issued share capital of Top Wheel is owned as to 70% by Golden Speed, a company wholly-owned and controlled by Mr. Wu Tak Lam, and 30% by Win Force, a company wholly-owned and controlled by Ms. Chiu Man, the spouse of Mr. Wu Tak Lam. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, the Circular containing, among other things, details of the Disposal shall be despatched within 15 business days after publication of the Announcement. As more time is required for the Company to prepare the information to be included in the Circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules so that the despatch date of the Circular can be postponed to a date more than 15 business days after the publication of the Announcement, which is expected to be on or before 25 November 2026.

Completion is conditional upon fulfillment of the conditions precedent set out in the Equity Transfer Agreement. There is no assurance that Completion will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning below:

“Board”	the board of Directors of the Company
“business day(s)”	any day(s) excluding Saturdays, Sundays and public holidays as stipulated by the laws of the PRC
“BVI”	the British Virgin Islands
“Circular”	the circular regarding the Disposal which is to be despatched and published by the Company upon obtaining the written approval of the Stock Exchange
“Company”	Sunfonda Group Holdings Limited (新豐泰集團控股有限公司), an exempted company incorporated in the Cayman Islands on 13 January 2011 with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the entire equity interests in Target Company by Vendors to the Purchasers as contemplated under the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 14 October 2026 entered into between the Purchasers and the Vendors
“Execution Date”	14 October 2026, the date on which the Equity Transfer Agreement was executed by the Purchasers and the Vendors
“Golden Speed”	Golden Speed Enterprises Limited, a company incorporated under the laws of the BVI with limited liability, a controlling shareholder of the Company and wholly owned by Mr. Wu Tak Lam

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	any person(s) or company(ies) or their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu Tak Lam”	Mr. Wu Tak Lam (胡德林), the Chairman of the Board, an executive Director and a controlling shareholder of the Company, the spouse of Ms. Chiu Man
“Ms. Chiu Man”	Ms. Chiu Man (趙敏), an executive Director and a controlling shareholder of the Company, the spouse of Mr. Wu Tak Lam
“Performance Deposit”	the earnest money of RMB1,825,000 paid to the Vendors by the Purchasers on 29 August 2026, which shall automatically become the performance deposit on the Execution Date for the Purchasers’ obligations under the Equity Transfer Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchasers”	Shen Xuelong and Sun Qian, each being an independent third party to the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Sunfonda Automobile”	Shaanxi Sunfonda Automobile Co.*, (陝西新豐泰汽車有限責任公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company

“Sunfonda Technology Development”	Shaanxi Sunfonda Automobile Technology Development Co., Ltd.* (陝西新豐泰汽車技術開發有限責任公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Target Company”	Wuxi Sunfonda Automobile Co., Ltd* (無錫新豐泰汽車有限責任公司), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Target Property”	the property which comprises the land use rights of a parcel of land located at Xingchuang 4th Road, Wuxi City, Jiangsu Province, the PRC with a land area of 6,176.1 sq.m., which will expire in July 2053, and a shopfront erected thereon with a gross floor area of 6,259 sq.m.
“Top Wheel”	Top Wheel Limited, a company incorporated under the laws of the BVI with limited liability and a controlling shareholder of the Company
“Vendor(s)”	Sunfonda Automobile and Sunfonda Technology Development, each a Vendor and collectively, the Vendors
“Win Force”	Win Force Enterprises Limited, a company incorporated under the laws of the BVI with limited liability, a controlling shareholder of the Company and wholly owned by Ms. Chiu Man
“sq.m.”	square meters

By order of the Board
Sunfonda Group Holdings Limited
Mr. Wu Tak Lam
Chairman of the Board

14 October 2026

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Wu Tak Lam, Ms. Chiu Man, Ms. Chen Wei and Mr. Wang Hao; and three independent non-executive directors, namely, Dr. Han Qinchun, Mr. Liu Qiming and Mr. Mou Junfa.

* *For Identification Purposes*