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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO MAJOR TRANSACTION
DISPOSAL OF THE TARGET COMPANY
AND
GRANT OF WAIVER UNDER RULE 14.41(A) OF THE LISTING RULES**

Reference is made to the announcement of Sunfonda Group Holdings Limited (the “**Company**”) dated 14 October 2026 (the “**Announcement**”) in relation to, among others, the entering into of the Equity Transfer Agreement and the Disposal. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL INFORMATION IN RELATION TO DISPOSAL OF THE TARGET COMPANY

As disclosed in the Announcement, the consideration under the Equity Transfer Agreement was determined based on, among others, the market value of the Target Company of RMB20.15 million according to the valuation report (the “**Valuation Report**”) prepared by an independent property valuer based on asset-based approach (the “**Valuation**”). The Board would like to provide the Shareholders and potential investors of the Company with supplemental information in relation to the Valuation as follows, which should be read in conjunction with the relevant information as set out in the Announcement.

Valuation Methodology and Approach

There are generally three accepted approaches to obtain the market value of 100% equity interest in the Target Company, namely the Market Approach, the Income Approach and the Asset Based Approach. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. The Market Approach values a business entity by comparing prices at which other business entities of a similar nature changed hands in arm's length transactions. The Income Approach focuses on the economic benefits due to the income producing capability of the business entity. The Asset Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets.

The selection of the valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, the qualified independent valuer, Cushman & Wakefield Limited (the “**Valuer**”), considered that asset-based approach was more appropriate to value the equity of the Target Holding Company as the main assets owned by the Target Holding Company were real estate assets. The income approach is not adopted at the equity level, as the Target Company's cash flows are solely derived from the leasing of the investment property, which have already been fully reflected in the market value of the investment property. The market approach is not adopted either, due to the lack of comparable guideline companies or comparable equity transactions involving similar investment property holding companies. Therefore, among the three approaches, the Valuer considered that the asset-based approach is more appropriate for valuing the entire equity interest in the Target Company.

Scope of Work

The Valuer has been instructed to conduct a valuation of the market value of 100% equity interest in the Target Company. The Valuer had conducted the following processes to evaluate the reasonableness of the adopted bases and assumptions:

- a. discussed with the management of the Company and obtained relevant financial information in respect of the Target Company;
- b. examined the relevant bases and assumptions of the financial information in respect of the Target Company;
- c. conducted appropriate research to obtain sufficient market data and statistical figures and prepared the Valuation Report based on generally accepted valuation procedures and practices; and
- d. presented the purpose and basis of valuation, scope of work, overview of the Target Company, related key business descriptions, source of information, major assumptions, valuation methodology and the opinion of value in the Valuation Report.

Limiting Conditions

The Valuation reflects facts and conditions existing at 30 September 2026. Subsequent events had not been considered and the Valuer was not required to update the Valuation Report for such events and conditions.

To the best of the Valuer's knowledge, all data set forth in the Valuation Report were reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that had been used in formulating this analysis are gathered from reliable sources. However, no guarantee was made nor liability was assumed for their accuracy.

The Valuer had relied to a considerable extent on information provided by the management of the Company in arriving at its opinion of value. The Valuer was not in the position to verify the accuracy of all information provided to it. However, the Valuer had had no reason to doubt the truth and accuracy of the information provided to it and to doubt that any material facts had been omitted from the information provided. No responsibilities for the operation and financial information that had not been provided to the Valuer are accepted.

The Valuer's opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Sustainability and Environmental, Social, and Governance ("ESG") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of the Valuation, the Valuer had, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Target Company as observed from information supplied or notified to it by the Company. For the avoidance of doubt, the Valuer's valuations do not constitute ESG risk assessments or ratings, which are outside its expertise and require additional specialists' advice beyond the scope of the Valuer.

Source of Information

To perform the Valuation of the market value of the Target Company's equity interest, the Valuer had relied on the following information provided by the Company, as well as other publicly available information gathered through the Valuer's own research, including, but not limited to, the following:

- a. copies of business licenses and other relevant documents of the Target Company;
- b. unaudited financial statements of the Target Company as at 30 September 2026 provided by the management of the Company; and
- c. other public information relating to the Valuation.

The Valuer had not independently verified any of the information which had been provided to it. In analyzing the information, the Valuer had held discussions with the management of the Company. The Valuer had had no reason to doubt the truth and accuracy of the information provided to it which is material to the Valuation. The Valuer was also advised that no material facts had been omitted from the information supplied.

The Appraised Value

The adopted values and valuation methodologies for each of the balance sheet items of the Target Company are listed below:

	As at 30 September 2026		Note
	Book Value	Market Value	
	(RMB)	(RMB)	
Current assets			
Cash and cash equivalents	733,602	733,602	1
Other current assets	53,380	53,380	1
Total current assets	786,982	786,982	
Non-current assets			
Property, plant, and equipment	11,756,001	35,000,000	2
Intangible asset	9,729,108	—	3
Long-term Deferred Expenses	332,556	—	3
Deferred tax asset	1,449,372	1,449,372	1
Total non-current assets	23,267,037	36,449,372	
Total assets	24,054,019	37,236,354	
Current liabilities			
Contract liability	1,023,810	1,023,810	1
Tax payables	120,834	120,834	1
Other payables	15,940,000	15,940,000	1
Total current liabilities	17,084,644	17,084,644	
Non-current liabilities			
Total non-current liabilities	—	—	
Total liabilities	17,084,644	17,084,644	
Net assets	6,970,000	20,150,000	4

Notes:

1. Book values shown on the management accounts of the Target Company as at 30 September 2026 provided by the management of the Company were adopted. The Valuer had not performed any valuation exercise;
2. The property, plant and equipment comprises street-front retail premises located at Xingchuang 4th Road, Wuxi City, Jiangsu Province, the People's Republic of China, with a total gross floor area of 6,259 square metres. The market value of the property, plant, and equipment was derived from a property valuation report (the **"Property Valuation Report"**), the details of which are set out below in this announcement;
3. The intangible assets are the land use rights located at Xingchuang 4th Road, Wuxi City, Jiangsu Province, the People's Republic of China. The long-term deferred expenses pertain to the unamortized decoration cost of the building. The market value of the intangible assets and the long-term deferred expenses are already reflected in the market value of the property, therefore the value of the above mentioned assets are assumed to be nil; and
4. The calculation is subject to rounding.

VALUATION OF THE TARGET PROPERTY

According to the Property Valuation Report prepared by the Valuer, the market value of the Target Property as at 30 September 2026 was RMB35.00 million (the **"Property Valuation"**).

Method and Key Assumptions of Property Valuation

In valuing the Target Property, the Valuer had adopted the Income Capitalisation Method on the basis of capitalisation of rental income derived from the existing tenancy, with due allowance for its reversionary potential at an appropriate capitalisation rate. Transactions involving similar scale properties of the same nature and tenancy structure in the same district are not frequent. On the other hand, as the property generates rental income from its letting arrangements and such rental comparables are more readily available, the Valuer considered the Income Capitalisation Method, which is also commonly used in valuing properties for investment purposes, to be the best method.

In undertaking the Property Valuation by the Income Capitalisation Method, the Valuer had mainly made reference to lettings within the property as well as other relevant comparable rental evidence of properties of similar use type, subject to appropriate adjustments including but not limited to location, accessibility, neighborhood environment, maintenance, facilities & equipments, appearance, floor, size, decoration standard and other relevant factors.

The capitalisation rate adopted in the Property Valuation was based on the analysis of the yields of properties of similar use type after due adjustments. This rate is estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflects the type and quality of the property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rate adopted is reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

The key assumptions of the Property Valuation by Income Capitalisation Approach are:

Type	Market Unit Rent
Commercial Property	RMB 27 per sq.m. per month
Open Space	RMB 11 per sq.m. per month

Type	Capitalisation rate
Term	9.00%
Reversionary	8.50%

General Assumptions

The Property Valuation excluded an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of the Property Valuation, the Valuer had relied on the information and advice given by the Company, regarding the titles to the Target Property and the interests of the Company in the Target Property in the PRC. It is assumed that the Group has an enforceable title to the Target Property and has free and uninterrupted rights to use, occupy or assign the Target Property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

In respect of the property situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the Property Valuation Report. It is assumed that all consents, approvals and licences from relevant government authorities for the developments had been obtained without onerous conditions or delays, and that the design and construction of the Target Property is in compliance with the local planning regulations and had been approved by the relevant authorities.

No allowances had been made in the Property Valuation for any charges, mortgages or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Target Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

Source of Information

In the course of the Property Valuation, the Valuer had relied to a very considerable extent on the information provided by the Group regarding the title to the Target Property and the interests of the Group in the Target Property. The Valuer had accepted advice given by the Group on matters such as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to the Valuer by the Company and are therefore only approximations. No on-site measurement had been carried out. The Valuer had had no reason to doubt the truth and accuracy of the information provided by the Company which is material to the Property Valuation. The Valuer was also advised that no material facts had been omitted from the information provided.

The copies of documents of the Target Property provided to the Valuer are mainly compiled in Chinese characters and the transliteration into English represents the Valuer's understanding of the contents.

Scope of Work

The Valuer has been instructed by the Company to carry out a valuation of the Target Property as at 30 September 2026.

Title Investigation and Site Inspection

Copies of the title documents relating to the Target Property had been provided to the Valuer but no land title searches had been carried out. The Valuer had not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies provided. The Valuer was unable to ascertain the title of the property in the PRC and had therefore relied on the advice given by the Company regarding its interests in the Target Property. The Valuer had relied to a considerable extent on the information given by the Group in respect of the title to the Target Property in the PRC.

The Valuer inspected the exterior and, where possible, the interior of the Target Property. However, no structural survey had been made, but serious defects had been noticed by the Valuer in the course of its inspection. Moreover, the Valuer had not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. The Property Valuation was prepared on the assumption that these aspects were satisfactory and that no extraordinary expenses or delays would be incurred during the construction period. The Valuer was not able to report that the property was free of rot, infestation or other structural defects. No test was carried out on any of the services. The Property Valuation is prepared on the assumption that these aspects were satisfactory. Unless otherwise stated, the Valuer had not carried out detailed on-site measurements to verify the site and floor areas of the Target Property and it was assumed that the areas shown on the documents provided to the Valuer were correct.

Value of the Target Property

Target Property held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2026
A commercial property located at No. 8 Xingchuang 4th Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC. (中華人民共和國江蘇省無錫市新吳區行創四路8號一項商業物業)	Completed in 2015, the property comprises 2 commercial buildings erected on a parcel of land with a site area of 6,176.10 sq.m. The property has a total gross floor area of approximately 6,259.10 sq.m. and ground floor open area of approximately 3,405 sq.m. The subject property is situated at the junction of Gaolang and Xingchuang 4th Road in Xinwu District. Developments nearby are mainly a mixture of commercial and industrial developments. The land use rights of the property have been granted for a term due to expire on 28 July 2053 for wholesale and retail uses.	As at 30 September 2026, the property was let to a single tenant under a lease for a term of 10 years due to expire on 17 September 2034 at a prevailing total monthly rent of approximately RMB341,270, exclusive of VAT and management fee.	RMB35,000,000 (RENMINBI THIRTY-FIVE MILLION) (100% interest attributable to the Group: RMB35,000,000)

Notes:—

- (1) According to Real Estate Title Certificate No. (2016) 0085256 issued by Wuxi Municipal Bureau of Land and Resources, the land use rights of the property comprising a site area of 6,176.10 sq.m. for wholesale and retail use and the building ownership of the property with a total gross floor area of 6,259.10 sq.m. for commercial, financial and information use are vested in 無錫新豐泰汽車有限責任公司 (Wuxi Sunfonda Automobile Co., Ltd.).
- (2) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are as follows:—

Real Estate Title Certificate Yes

(3) In valuing the market value of the property, Income Capitalisation Approach is adopted.

The Valuer had selected three relevant lettable retail comparables. The unit rent of the selected comparables range from about RMB26 per sq.m. per month to RMB32 per sq.m. per month. The concluded unit rent of the property is about RMB27 per sq.m. per month. Details of the lettable retail comparables considered are listed below:

No.	Lettable Retail Comparable	Address	District	GFA (sq.m.)	Floor Level	Condition of Transaction	Unit Rent (RMB/ sq.m./ month)
1	Xindi Holiday Plaza	No. 8 Changjiang North Road	Xinwu	1,200	L1	Asking	32
2	BUPT Guohao IoT Eco-Park	No. 9 to 44 Hongyi Road	Xinwu	1,000	L3	Asking	26
3	Shen'gang Asia-Pacific Center	No. 299 Fangcheng Avenue	Xinwu	1,336	L1-2	Asking	32

GRANT OF WAIVER UNDER RULE 14.41(A) OF THE LISTING RULES

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 additional time is required by the Company to prepare the financial and other information (including the financial information regarding the statement of indebtedness and the statement of sufficiency of working capital) to be included in the Circular, the Company has applied for, and the Stock Exchange has granted on 21 October 2026, a waiver from strict compliance with Rule 14.41(a) of the Listing Rules on the condition that the Company will despatch the Circular on or before 25 November 2026.

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

21 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.