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Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 476)

QUARTERLY UPDATE ON IMPLEMENTATION OF ACTION PLAN TO RESOLVE DISCLAIMER OF OPINION

Reference is made to the annual report of Ev Dynamics (Holdings) Limited (the **"Company"**, together with its subsidiaries, the **"Group"**) for the year ended 31 March 2026 published on 27 July 2026 (the **"Annual Report"**). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the Annual Report.

As disclosed in the Annual Report, the Company's auditor issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 March 2026 due to scope limitation relating to appropriateness of the going concern assumption (the "**Disclaimer of Opinion**").

UPDATE ON IMPLEMENTATION OF ACTION PLAN

The Board wishes to provide a quarterly update on the latest implementation progress of the Group's action plan (the **"Action Plan"**) to address the going concern issue and to resolve the Disclaimer of Opinion.

1. Equity fundraising

   In respect of the Potential Placement, the Company had further conducted two subscriptions transactions detailed as below.

Subscription under general mandate

As disclosed in the announcement of the Company dated 7 August 2026, the Company successfully completed a subscription of 31,000,000 new Shares under general mandate, raising net proceeds of approximately HK$15.48 million.

Subscriptions under specific mandate

As disclosed in the circular dated 5 October 2026 and the announcements dated 28 August 2026 and 20 October 2026, on 28 August 2026, the Company entered into four separate subscription agreements with four subscribers, pursuant to which the Company conditionally agreed to allot and issue an aggregate of 99,000,000 new Shares at the subscription price of HK$0.66 per Share (the **"August Subscription"**), raising net proceeds of approximately HK$65.1 million. The ordinary resolutions approving the August Subscriptions were duly passed by the independent Shareholders by way of poll at the special general meeting held on 20 October 2026.

As at the date of this announcement, the Company is in the process of fulfilling the remaining condition precedent. Completion of the August Subscription is expected to take place in the near future.

2. Third-party borrowings

   In late July 2026, the Group successfully obtained a short-term unsecured loan of RMB10.0 million (equivalent to approximately HK$11.5 million) from an independent third party to finance the expansion and operation of the e-Mobility Solutions segment.

3. Shareholders' loans

   In respect of the Shareholders' loans, the relevant shareholders have continued to provide their written undertakings not to demand for the repayment of the Shareholders' loans as at the date of this announcement. The Company maintains proactive communication with the relevant shareholders to ensure the ongoing stability of this financial support.

4. Proceeds from disposal of industrial property and land in Chongqing (the **"Disposal"**)

   As disclosed in the announcements dated 4 September 2026 and 30 September 2026, the Group has entered into a sale and purchase agreement to dispose of the property in Chongqing at a consideration of RMB20.0 million (net proceeds of approximately RMB16.5 million).

As at the date of this announcement, the Group is actively fulfilling the conditions for completion of the Disposal. The net proceeds from the Disposal will be applied directly towards settling the outstanding liabilities under the CQ Arbitration.

5. Update on progress of the Chongqing arbitration (the "**CQ Arbitration**")

   Regarding the judgment liability arising from the CQ Arbitration, the management has maintained negotiations with the creditor regarding a staged repayment arrangement.

   Up to the date of this announcement, the Group has settled approximately RMB10.0 million in aggregate to the creditor. The Group intends to settle the remaining outstanding balance by December 2026 through the net proceeds from the August Subscription and the Disposal in accordance to such intended use of proceeds.

Taking into account above latest updates and progress of the Action Plan, the steady revenue contribution from the e-Mobility Solutions business, as well as continuous efforts in cost reduction and efficiency enhancement over the past year, the Board is of the view that the Group's working capital position and liquidity have been substantially strengthened.

The Board will continue to use its best endeavours to implement the plans and measures with a view to resolving the Disclaimer of Opinion. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the plans and measures as and when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
Ev Dynamics (Holdings) Limited
Zeng Yan
Chairman and Executive Director

Hong Kong, 26 October 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Zeng Yan and Mr. Yan Zhang Yan, two non-executive Directors, namely Mr. He Chao Rong and Ms. Chan Hoi Ying, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Gong Dao Jun and Ms. Chiang Siu Ling, Samantha.