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CARRY WEALTH HOLDINGS LIMITED
恒富控股有限公司
(Incorporated in Bermuda with limited liability)
Website: http://www.carrywealth.com
(Stock Code: 643)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025 RISK MANAGEMENT AND INTERNAL CONTROL

References are made to (i) the announcement of Carry Wealth Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 24 February 2025 (the "**Announcement**") in relation to the connected transaction arising from the Pledge Agreement; and (ii) the annual report of the Company for the year ended 31 December 2025 published on 30 April 2026 (the "**2025 Annual Report**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and 2025 Annual Report. For the purposes of this announcement, the Lender refers to Mr. Li Haifeng, a director of the Borrower. The Company clarifies that the Lender was not the legal representative of the Borrower at the time the Pledge Agreement was entered into, and the description of the Lender in the Announcement should be read accordingly.

The board of directors (the "**Board**") of the Company wishes to provide the following supplemental information to the section headed "Risk Management and Internal Control" of the Corporate Governance Report contained in the 2025 Annual Report, with reference to paragraph H of Part 1 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**CG Code**"), regarding the control failings and weaknesses identified by the Board following the entering into of the Pledge Agreement and the remedial measures taken by the Company to address them. The information set out below should be read together with that section of the 2025 Annual Report.

BACKGROUND

As disclosed in the Announcement, on 24 November 2023, the Borrower, an indirect wholly-owned subsidiary of the Company, entered into the Loan Facility Agreement with the Lender, being a director of the Borrower, pursuant to which the Lender agreed to provide an unsecured and interest-free loan facility of up to RMB50.0 million to the Borrower for the period from 24 November 2023 to 23 November 2031. As the Loan Facility Agreement was on normal commercial terms or better and was not secured by the assets of the Group, it was fully exempted from the connected transaction requirements under Rule 14A.90 of the Listing Rules.

On 21 November 2024, the Lender proposed to the Board that the Borrower shall pledge the Pledged Assets to secure the loans under the Loan Facility Agreement in view of the increase in drawdown amount. Before the Board had considered and approved the proposal, the Lender, in his capacity as a director of the Borrower, caused the Borrower to enter into the Pledge Agreement with him on 27 November 2024 at his sole discretion. The Board became aware on 14 January 2025 that the Pledge Agreement had been entered into, and on the same day requested the Lender and the Borrower to terminate the Pledge Agreement and release the Pledge immediately. The Pledge Agreement was terminated and the Pledge was released on 21 January 2025.

Upon the entering into of the Pledge Agreement, the Loan Facility Agreement ceased to be exempted under Rule 14A.90 of the Listing Rules. As the Pledge Agreement had been entered into without the approval of the Board and without the confirmation of the independent non-executive Directors that the terms of the Pledge were fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole in accordance with Rule 14A.101 of the Listing Rules, the transaction was subject to the announcement, circular and independent Shareholders' approval requirements under Rules 14A.35, 14A.36 and 14A.46 of the Listing Rules. The Company did not comply with those requirements at the material time, and published the Announcement on 24 February 2025 after the Board became aware of the Pledge Agreement, which represented a delay of nearly three months.

CONTROL FAILINGS AND WEAKNESSES IDENTIFIED

Following the incident, the Board reviewed the circumstances in which the Pledge Agreement was entered into and identified the following failings and weaknesses in the internal control systems of the Group:

(i) insufficient awareness among the management of the Group, in particular the management of the Borrower, of the requirements of the Listing Rules and of the internal control policy of the Company. The Lender considered that he had the authority to execute the Pledge Agreement in his capacity as a director of the Borrower, and that notifying the Board, rather than obtaining its approval, was sufficient for the purposes of the internal approval requirements of the Company and he was not aware that the Company was required to publish an announcement when the Pledge Agreement was entered into;

(ii) ineffective communication between the Board and the management of the Group. Matters reported by the management of the Group were discussed by the Board in an informal discussion group, and there was no formal mechanism to ensure that a proposal requiring the attention of the Board, such as the proposed Pledge Agreement, was identified, escalated to and considered by the Board on a timely basis. Upon receiving the proposal of the Lender on 21 November 2024, the Board intended to consider it at a formal Board meeting to be convened at a later date, and the Board did not learn that the Pledge Agreement had been entered into until 14 January 2025 when they were informed; and

(iii) deficiencies in the internal controls of the Group for identifying and managing conflicts of interest in transactions, given that the Lender was at the same time the lender under the Loan Facility Agreement and a director of the Borrower who signed the Pledge Agreement on behalf of the Borrower.

REMEDIAL MEASURES

To address the failings and weaknesses identified above and to prevent the recurrence of similar incidents, the Company has taken the following remedial measures:

(i) the internal control policy of the Company has been revised to require that the company chop of each subsidiary of the Company be kept by the finance department of that subsidiary. For any transaction with a contract sum exceeding HK$500,000 which is outside the ordinary and usual course of business of the Group (including any pledge of the assets of the Group and any loan arrangement), the use of the chop may be authorised only by both the chief financial officer of the Company and the financial controller of the relevant business division, after the implications under the Listing Rules and/or the Code on Takeovers and Mergers (the "**Takeovers Code**") have been assessed and the approval of the Board has been obtained. For all other transactions, the use of the chop may be authorised by the financial controller of the relevant business division after the implications under the Listing Rules and/or the Takeovers Code have been assessed. The revised policy took effect on 1 April 2025;

(ii) the chief financial officer of the Company and/or the financial controller of the relevant business division are required to assess and monitor whether any actual or potential conflict of interest exists in respect of every transaction agreement to be entered into by a member of the Group. Any person who has a conflict of interest in a matter is prohibited from taking part in that matter. These requirements form part of the revised internal control policy of the Company referred to in (i) above and took effect on 1 April 2025;

(iii) the Board holds a formal discussion with the management of the subsidiaries of the Company on a monthly basis on the latest business development of the Group, and in particular on any material agreement entered into or proposed to be entered into during the relevant period. This replaces the previous practice under which matters reported by the management of the Group were discussed by the Board in an informal discussion group. The monthly discussions commenced on 1 April 2025; and

(iv) training on the internal control policies of the Group and the requirements of Chapter 14A of the Listing Rules was provided to the Directors and the management of the subsidiaries of the Company on 31 March 2025.

In addition, the Board has resolved to adopt the following further measures ("**further measures**"): (a) a written procedure requiring that any proposal or arrangement which may require the approval of the Board be reported in writing to the executive Directors and the company secretary of the Company upon receipt, and be considered by the Board within seven days of receipt; and (b) written procedures for the management of conflicts of interest, including the declaration by Directors and the management of the Group of any interest in a proposed transaction, the designation of the chief financial officer of the Company as the person responsible for checking for actual or potential conflicts of interest in each proposed transaction, and the keeping of records of the assessment, approval and monitoring of each such transaction. The Company has implemented these measures with effect from 1 April 2025 and relevant individuals are required to provide the "Annual Declaration of Interest" to the Company annually.

Following its further assessment, the Board has resolved to refine the approval, reporting and conflicts procedures as described in paragraphs (a) and (d) to (h) under "Assessment of the Board" below. These refinements will apply from the date of this announcement. The chief financial officer and the company secretary will be responsible for incorporating them into the written internal control procedures, communicating them to the Directors and relevant management and arranging training within one month of this announcement. Pending completion of that process, the relevant personnel will be instructed to apply the refinements to each proposed transaction, and no transaction requiring approval may proceed until the required checks and approvals have been completed and recorded.

ASSESSMENT OF THE BOARD

The Board (including all the independent non-executive Directors) has reconsidered the existing arrangements of the Group, reviewed the implementation of the remedial measures since their adoption, and assessed whether further improvements to the internal controls of the Group or additional control measures are required. In particular, the assessment addresses whether the procedures provide for the timely identification, escalation, consideration and handling of material proposals or arrangements in future, and whether the controls for actual and potential conflicts of interest are supported by specific procedures, responsibilities and records. The assessment of the Board and the basis thereof are as follows:

(a) *Existing arrangements.* The Pledge Agreement was terminated and the Pledge was released on 21 January 2025. The Loan Facility Agreement remains unsecured and interest-free, and no asset of the Group has since been pledged or charged in favour of the Lender or any other connected person of the Company. While the Lender remains a director of the Borrower, since 1 April 2025 the company chop of the Borrower has been kept by its finance department. Under remedial measure (i) a transaction with a contract sum exceeding HK$500,000 which is outside the ordinary and usual course of

business requires dual authorisation for the use of the chop, following assessment of the relevant regulatory implications and approval of the Board. The Lender is also excluded from any matter in which he is interested under remedial measure (ii). These measures separate custody and authorisation of the use of the chop from the interested individual. Under the refinements, no member of the Group may sign, enter into or implement a transaction requiring approval under the internal control policy or applicable regulatory requirements until that approval has been obtained and recorded, whether the transaction is executed by signature, use of a company chop or otherwise. The chief financial officer and the relevant financial controller will check the applicable approval requirements before authorising execution, and the person executing the document will be required to verify that the recorded approvals cover its final terms. The HK$500,000 threshold for dual chop authorisation will not displace any approval or disclosure requirement applicable under the Listing Rules or the Takeovers Code. The Board considers that combining these checks with separate chop custody and exclusion of the interested person addresses the risk of an interested individual proceeding on the mistaken basis that notifying the Board is sufficient, and provides a basis for retaining the existing financing arrangements subject to those controls.

(b) *Implementation of the remedial measures.* The remedial measures have been in operation for more than 17 months. During that period, (1) the monthly discussions between the Board and the management of the subsidiaries of the Company have been held each month and recorded in writing; (2) the use of the company chops of the subsidiaries of the Company has been recorded in chop registers kept by the respective finance departments, which are reviewed by the chief financial officer of the Company; (3) the "Annual Declaration of Interest" has been received from all Directors and relevant members of the management of the Group; and (4) the operation of the remedial measures was covered in the annual review of the risk management and internal control systems of the Group for the year ended 31 December 2025, and no exception was identified. Since the adoption of the remedial measures, no member of the Group has entered into any transaction without the approvals required under the internal control policy of the Company, and the Company is not aware of any further non-compliance with Chapter 14A of the Listing Rules.

(c) *Sufficiency of the remedial measures.* The Board has considered the purpose and operation of the measures, rather than relying solely on the absence of a further reported incident. The training under remedial measure (iv) addresses awareness of the requirements, while the assessment required before authorising use of a company chop under remedial measure (i) provides a transaction-level check of regulatory implications. The basis for the assessment of the reporting and conflicts procedures is set out below. The Board considers that the existing measures provide a basis for addressing the identified weaknesses, but that the refinements set out below are appropriate to strengthen their coverage, make responsibilities and decision criteria clear and provide for urgent matters and exceptions.

(d) *Identification, escalation and timely handling.* Further measure (a) requires written reporting upon receipt of a proposal or arrangement which may require Board approval to the executive Directors and the company secretary, and Board consideration within seven days of receipt. This provides a reporting route and a time limit for consideration, in addition to the monthly discussions under remedial measure (iii). The monthly discussions alone would not ensure timely handling of a matter arising between meetings. Under the refinements, subsidiary management will report any proposed transaction or change to an existing arrangement involving a connected person, a potential conflict of interest, a loan, guarantee or security over assets, or a matter outside its delegated authority, to the chief financial officer and the company secretary immediately upon becoming aware of it. Matters will be referred for assessment irrespective of value where their regulatory implications are uncertain. The company secretary, with the chief financial officer, will assess the nature, value, parties, proposed commitment date and regulatory implications, consult professional advisers where necessary, and identify the approvals, disclosure and timetable required. Matters involving an imminent commitment, potential non-compliance, possible inside information or an earlier regulatory deadline will be escalated to the executive Directors immediately for expedited Board consideration. The seven-day period will be an outer limit for ordinary cases and will not permit a delay where earlier action is necessary. The company secretary will maintain a register recording receipt, the responsible officer, required action and deadline, and will follow each matter through to decision and implementation. If a responsible officer is unavailable, the executive Directors will designate an available, appropriately qualified substitute; any conflicted Director will not participate in that designation. The transaction will remain on hold until all required approvals have been obtained, and the monthly discussions will review the register and outstanding actions. The Board considers that these arrangements provide both an immediate reporting route and continuing follow-up, reducing the risk that a proposal is deferred until the next scheduled meeting or proceeds before a decision is made.

(e) *Timely declarations of interests.* Further measure (b) requires Directors and management to declare interests in proposed transactions, in addition to the annual declarations. Transaction-specific declarations enable interests to be considered in relation to the particular proposal; annual declarations alone may not capture interests arising or changing during the year. Under the refinements, each Director or member of management involved in proposing, assessing, approving or implementing a transaction will provide a written declaration of any direct or indirect interest, including relevant interests of associates, to the chief financial officer and the company secretary before participating in the matter. A declaration of no interest will also be required. Any new interest or change in circumstances will be reported immediately and before further participation or implementation. The chief financial officer will check the declarations against the register of interests and the available information on the counterparties and their ownership and relationships, and will seek clarification where information is incomplete or inconsistent. An unresolved potential conflict will be treated as a conflict pending assessment, and the transaction will not proceed until its implications have been determined and the required approvals obtained. The Board considers that transaction-specific declarations, updates and checks provide a means of identifying interests when they arise, rather than relying on the annual declaration alone.

(f) *Responsibilities and workflow.* Remedial measure (ii) requires the chief financial officer and/or the relevant financial controller to assess and monitor actual or potential conflicts in every transaction agreement, and further measure (b) designates the chief financial officer as the person responsible for checking each proposed transaction. The prohibition on an interested person participating in the relevant matter is intended to prevent that person from controlling its consideration or approval. Under the refinements, the relevant financial controller will collect the transaction particulars and declarations, and the chief financial officer will document the conflict assessment and proposed safeguards. The company secretary will assess the applicable Listing Rules and approval requirements, seeking advice where necessary, and refer an identified or uncertain conflict to the disinterested Directors for consideration. A conflicted person will not act on behalf of any member of the Group in assessing, negotiating, recommending, approving or executing the transaction, save to provide factual information when requested by the disinterested decision-makers. Any conflicted Director will abstain from voting and will not be counted in the quorum where required by the Listing Rules and the constitutional documents. If the chief financial officer, financial controller or company secretary is conflicted or unavailable, the disinterested Directors will appoint an appropriately qualified, unconflicted substitute and, where necessary, obtain independent professional advice. The relevant financial controller will monitor implementation against the approved terms and report any material variation or new conflict for reassessment before further action is taken. The Board considers that this allocation of duties separates the interested person from the decision process and provides an escalation route and alternative reviewer, so that a conflict affecting a designated officer does not prevent the controls from operating.

(g) *Records of assessment, approval and monitoring.* Further measure (b) requires records of each of these stages. Such records provide a basis for tracing how a potential conflict was assessed, how the transaction was approved and how compliance was monitored, rather than relying on a general statement of policy. Under the refinements, the relevant financial controller will maintain a transaction file containing the proposal, declarations, checks undertaken, assessment of regulatory implications and conflicts, advice obtained, approval records and abstentions, the final agreement and evidence of subsequent monitoring. The chief financial officer will review the file before execution to confirm that the conditions of approval and required safeguards have been met, and the company secretary will retain the corresponding Board records and update the reporting register. Outstanding conditions, variations and exceptions will be recorded with an action owner and completion date and followed up until resolved. The files and register will be available to the audit committee for review. The Board considers that this documented sequence enables it to trace a transaction from proposal to implementation, establish who performed each check and identify any departure from the approved process.

(h) *Regular review and prompt remediation.* The annual review and continuing training described below support ongoing oversight of the measures. Under the refinements, the chief financial officer and the company secretary will review the reporting register and the operation of the approval and conflicts procedures monthly, including overdue matters, changes in interests and compliance with approval conditions. They will report their findings to the audit committee quarterly, together with a sample of transaction files covering both routine matters and higher-risk transactions, including connected-party transactions and transactions involving loans or security. A material weakness, suspected breach or overdue urgent matter will be reported to the executive Directors and the chairman of the audit committee immediately, without waiting for the next scheduled review. The audit committee will require a corrective action plan identifying the responsible officer, risk-based completion deadline and interim safeguards, and will monitor progress until completion has been checked. Where a weakness may affect a proposed transaction, that transaction will remain on hold until appropriate safeguards and the necessary approvals are in place. The Board will review any significant or recurring weakness and approve further changes where required. The Board considers that the combination of regular monitoring, immediate exception reporting and follow-up of corrective action enables weaknesses to be addressed between annual reviews and supports continuing assessment of the effectiveness of the procedures.

Having regard to the transaction-level checks, defined reporting and escalation routes, separation of responsibilities, documented approval and monitoring processes and arrangements for regular review and prompt remediation described above, the Board considers that the existing measures, supplemented by the refinements, are appropriately designed to address the identified weaknesses and to support timely handling of similar matters in future. The controls are intended to provide reasonable, rather than absolute, assurance against non-compliance and unauthorised transactions. The Board does not consider that additional measures beyond the refinements are required at this stage. This assessment will be kept under review: the chief financial officer and the company secretary will report completion of the documentation, communication and training to the audit committee within one month of this announcement, and the audit committee will assess the operation of the refinements in its first quarterly review following implementation and report its findings to the Board. Any weakness identified will be addressed through the remediation process described above. To ensure that the remedial measures continue to operate effectively, the audit committee of the Company will review their operation as part of its annual review of the risk management and internal control systems of the Group, and training on the internal control policies of the Group and Chapter 14A of the Listing Rules will be provided to newly appointed directors and management of the subsidiaries of the Company and refreshed at least annually and when material changes to the applicable requirements or the internal control procedures occur.

The Board will continue to review the effectiveness of the risk management and internal control systems of the Group, including the operation of the remedial measures described above, and will report on its review in the corporate governance report of the Company in accordance with the CG Code.

The statement in the section headed "Risk Management and Internal Control" of the Corporate Governance Report contained in the 2025 Annual Report that the audit committee of the Company and the Board were not aware of any significant control failings or weaknesses identified in the reporting period is supplemented by the information set out above. Save as disclosed above, all other information contained in the 2025 Annual Report remains unchanged.

By Order of the Board
Carry Wealth Holdings Limited
Chan Wai Ying
Executive Director

Hong Kong, 18 November 2026

As at the date of this announcement, the Board comprises Ms. Chan Wai Ying as executive Director and Ms. Li Qian (Suspension of Duties), Mr. Lee Chan Wah (Suspension of Duties) and Mr. Meng Xiangying as independent non-executive Directors.