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MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE DISPOSAL COMPANY

THE DISPOSAL

Reference is made to the announcements of the Company dated 13 September 2024, 20 December 2024, 14 March 2025 and 31 December 2025 (collectively, the “**Previous Announcements**”) in relation to the litigation and judicial dissolution proceedings involving BJEG and the Company’s wholly-owned subsidiary, Hong Kong Ever Grand Capital Limited (“**Hong Kong Ever Grand**”). Unless otherwise defined, terms capitalised in this announcement shall have the same meanings as in the Previous Announcements.

On 3 February 2026 (after trading hours of the Stock Exchange), as an arrangement to resolve the dispute among the parties in relation to Hong Kong Ever Grand, the Vendor, the Purchaser and the Guarantor entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Share at the Consideration of RMB70,000,000. For the purpose of securing the due and punctual performance of the Purchaser’s obligations under the Disposal Agreement, the Guarantor agreed to be a guarantor under the Disposal Agreement, and the Guarantor also executed the Deed of Guarantee upon the execution of the Disposal Agreement. Completion shall be conditional, among other things, upon the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the EGM.

The Disposal Company, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the BVI with limited liability and is principally engaged in investment holding of an equity investment that carries out Financial Leasing Business. The Disposal Company indirectly holds approximately 51.39% of the equity interest in BJEG, which is accounted for as equity investment at fair value through other comprehensive income.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 25% but all of them are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Disposal.

GENERAL

A circular containing, among other things, details of (i) the Disposal Agreement, Deed of Guarantee and the transactions contemplated thereunder, (ii) the notice convening the EGM, and (iii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 6 March 2026, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the section headed “Conditions Precedent” in this announcement, including the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 3 February 2026 (after trading hours of the Stock Exchange), as an arrangement to resolve the dispute among the parties in relation to Hong Kong Ever Grand, the Vendor, the Purchaser and the Guarantor entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share at the Consideration of RMB70,000,000. For the purpose of securing the due and punctual performance of the Purchaser’s obligations under the Disposal Agreement, the Guarantor agreed to be a guarantor under the Disposal Agreement, and the Guarantor also executed the Deed of Guarantee upon the execution of the Disposal Agreement.

THE DISPOSAL AGREEMENT

Date

3 February 2026 (after trading hours of the Stock Exchange)

Parties

Vendor : Harvest Castle Holdings Limited

Purchaser : Sheen Nation Holdings Limited

Guarantor : Mr. Qiao Weibing

Harvest Castle Holdings Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company, and is principally engaged in investment holding of an equity investment that carries out Financial Leasing Business.

Mr. Qiao Weibing is a director and legal representative of BJEG. As BJEG is not accounted for as a subsidiary of the Company but a mere financial asset, and Mr. Qiao has ceased to be an executive Director for more than 12 months from the date of the Disposal, Mr. Qiao is considered to be an Independent Third Party.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Purchaser is a company incorporated in the BVI and is principally engaged in investment holding; (ii) the Purchaser is legally and beneficially owned by Guarantor; and (iii) each of the Purchaser and the Guarantor is an Independent Third Party.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor shall dispose of the Sale Share representing the entire share capital in the Disposal Company upon Completion. The Disposal Company is principally engaged in investment holding of an equity investment in BJEG which is engaged in the provision of Financial Leasing Business.

Consideration

The Consideration of the Disposal is RMB70,000,000 which will be settled in the following manners:

- (i) the deposit (the “**Deposit**”) in the sum of RMB7,000,000 (or its equivalent value in Hong Kong Dollars) to be paid by the Purchaser by way of casher’s order, wire transfer or bank transfer to the Vendor either in Hong Kong or in other jurisdiction proposed by Vendor and agreed by Purchaser within 5 Business Days after the signing of the Disposal Agreement.
- (ii) a second installment in the sum of RMB49,000,000 (or its equivalent value in Hong Kong Dollars) to be paid by the Purchase by way of casher’s order, wire transfer or bank transfer to the Vendor in Hong Kong within 5 Business Days after fulfillment (or obtaining waiver) of all Conditions Precedent under the Disposal Agreement;
- (iii) a third installment in the sum of RMB7,000,000 (or its equivalent value in Hong Kong Dollars) to be paid by the Purchase by way of casher’s order, wire transfer or bank transfer to the Vendor in Hong Kong immediately before Completion; and
- (iv) the remaining balance of the Consideration in the sum of RMB7,000,000 (or its equivalent value in Hong Kong Dollars) to be paid by the Purchaser by way of casher’s order, wire transfer or bank transfer to the Vendor either in Hong Kong or other jurisdiction proposed by Vendor and agreed by Purchaser within 60 days after the Completion.

If the Purchaser refuses to complete the Disposal after the satisfaction (or waiver) of the Conditions Precedent without legitimate reason, the Vendor shall be entitled to (i) forfeit the Deposit, and (ii) claim from the Purchaser liquidated damages amounting to 10% of the total Consideration. Such liquidated damages shall be deducted from any payments already made by the Purchaser, with the Vendor retaining the right to claim for any additional actual losses suffered.

As a reciprocal arrangement, if the Vendor refuses to complete the Disposal after the satisfaction (or waiver) of the Conditions Precedent without legitimate reason, the Vendor shall (i) pay to the Purchaser liquidated damages amounting to 10% of the total Consideration, and (ii) refund all payments received from the Purchaser (including the Deposit) within five Business Days, failing which the Vendor shall pay overdue interest at a daily rate of 0.05% on the outstanding refund amount.

Basis of consideration

As at 30 June 2025, the unaudited net asset of the Disposal Group attributable to the Company was approximately HK\$21.9 million.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the (i) unaudited net asset of the Disposal Group attributable to the Company as at 30 June 2025 of approximately HK\$21.9 million; (ii) the latest valuation of the Disposal Group at approximately RMB36.4 million prepared by an independent valuer based on market approach; (iii) the unaudited consolidated results after taxation of the Disposal Group for the two years ended 31 December 2023, 31 December 2024 and for the six months ended 30 June 2025 of approximately gain of HK\$5,541,000 and loss of HK\$13,456,000, gain of HK\$5,199,000 respectively; and (iv) the expected continuing loss-making condition due to the continuing difficult operating environment of the Financial Leasing Business as detailed in the section headed "Reasons for and benefit of the Disposal" below.

The Directors consider that the terms and conditions of the Disposal are fair and reasonable and are on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Disposal Agreement is conditional upon the following conditions:

- (a) the Stock Exchange granting approval for the publication of all necessary announcements and circulars by the Company under the Listing Rules;
- (b) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder;
- (c) the Purchaser obtaining all necessary approvals, consents and authorisations for Completion;
- (d) the Vendor obtaining all necessary approvals, consents and authorisations for Completion;
- (e) payment of the Deposit by the Purchaser;
- (f) the warranties and undertaking given (including voluntarily assumes all debts, liabilities of the PRC operating entities including the unfulfilled Capital Injection in BEJG) by the Purchaser remaining true and accurate in all material respects; and
- (g) the warranties given by the Vendor remaining true and accurate in all material respects.

Conditions (a), (b), (c), (d) and (e) may not be waived. Condition (f) may be waived at the sole discretion of the Vendor, and condition (g) may be waived at the sole discretion of the Purchaser.

If the Conditions Precedent are not fulfilled or waived on or before the Long Stop Date, the Disposal Agreement shall lapse and cease to have effect, save for certain surviving clauses (including confidentiality and costs).

Completion

Completion shall take place on the 7th Business Day after the fulfilment (or waiver) of the last of the Conditions Precedent. At Completion, and upon confirmation of receipt of the relevant instalments of the Consideration, the Vendor shall deliver or cause to be delivered to the Purchaser, among other things: (i) a duly executed instrument of transfer for the Sale Share; (ii) certified corporate documents (including a Certificate of Incumbency and Good Standing) for the Disposal Company; (iii) board resolutions of the relevant companies to effect the change of shareholder and director appointments/resignations as required by the Purchaser; (iv) the completion accounts; (v) a tax indemnity deed; and (vi) physical possession of statutory books, records, seals, and bank account authority documents.

Upon Completion, the Company will cease to hold any equity interest in the Disposal Company and the equity investment in BJEG will no longer be recognised.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the BVI with limited liability and is principally engaged in investment holding of an equity investment in BJEG which carries out Financial Leasing Business.

Financial information of the Disposal Group

The Disposal Company indirectly holds approximately 51.39% of the equity interest in BJEG, which has been classified as equity investment at fair value through other comprehensive income since 1 August 2024 and was classified as an associate from 1 August 2023 to 31 July 2024, and is not currently accounted for as a subsidiary of the Company.

Set out below is extracted financial effect of the Disposal Group as extracted from its unaudited management accounts prepared in accordance with the HKFRSs for the two years ended 31 December 2023, 31 December 2024 and six months ended 30 June 2025:

| | For the year ended | | For the six |
|---|---------------------------|-----------------|---------------------|
| | 31 December | | months ended |
| | 2023 | 2024 | 30 June |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>2025</i> |
| | | | <i>HK\$'000</i> |
| Profit/(loss) and total comprehensive income/(expense) for the year/period | 5,541 | (13,456) | 5,199 |
| | As at 31 December | 2024 | As at |
| | 2023 | 2024 | 30 June |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>2025</i> |
| | | | <i>HK\$'000</i> |
| Net assets* | 30,196 | 16,620 | 21,864 |

* not included intra-group balances

As at 30 June 2025, the unaudited net asset value of the Disposal Group attributable to the Company was approximately HK\$21.9 million.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The principal business of the Group comprises the (i) sale of medical, health, hygiene and pet products, (ii) trading of securities, investment in properties, and money lending business in Hong Kong, and (iii) research and development, manufacturing and sale of health food and nutrient enhancers in the PRC.

The Disposal Group, which operates the Financial Leasing Business through its investee, namely BJEG, has recorded operating losses for most of the past few years, primarily due to a more stringent regulatory framework in the PRC and challenging market conditions. More critically, since August 2023 the Company has lost the effective control over BJEG due to disputes with its Chinese joint venture counterparty. This has resulted in operational deadlock, hindered the Group's ability to manage the business, and led to ongoing litigations.

The Directors have considered various options to resolve the situation, including a potential judicial dissolution of the relevant entities. However, the result of such a process is highly uncertain, would likely be protracted over years, and would entail significant legal costs with no assurance of recovery for the Group. The Directors have also taken into account the ongoing litigation initiated by BJEG, which seeks to compel the Group to top up the outstanding Capital Injection of approximately USD20 million. The proposed Disposal provides an exit opportunity that would eliminate the uncertainties associated with such litigation, as both parties have agreed to set aside all disputes and the Group is no longer required to fulfill the Capital Injection upon execution of the Disposal Agreement. In light of the entering into of the Disposal Agreement, parties have withdrawn from the litigations concerning the Hong Kong Ever Grand and BJEG too.

The Disposal also provides the Group with a certain and immediate exit opportunity from a non-core and non-performing asset to reinvigorate the existing businesses with the sale proceeds.

The Board intends to apply these proceeds to (i) expand the Group's loan financing and securities investment businesses in Hong Kong, and (ii) bolster the working capital for the Group's distribution business of medical, health, hygiene and pet products, and the manufacturing and sale of health food. The Disposal will also allow management to focus resources entirely on the Group's more promising and manageable business lines.

The Consideration of RMB70,000,000 represents a considerable premium over both (i) the latest valuation of the Disposal Group of approximately RMB36.4 million (equivalent to approximately HK\$40.3 million) prepared by an independent valuer based on market approach, and (ii) the unaudited net asset value attributable to the Company of approximately HK\$21.9 million as at 30 June 2025.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF AND INTENDED USE OF PROCEEDS FROM THE DISPOSAL

Upon Completion, the Company will (i) cease to hold any equity interest in the Disposal Company; and (ii) its equity investment in BJEG, currently classified as an equity investment at fair value through other comprehensive income, will be derecognised from the Company's consolidated financial statements.

It is estimated that, upon Completion, the Company will record a gain on disposal of approximately HK\$55,000,000, calculated by taking into account the Consideration, the relevant expenses in relation to the Disposal, the net asset of the Disposal Group attributable to the Company of approximately HK\$21,864,000 as at 30 June 2025. Any potential PRC tax liabilities arising from the indirect transfer of the underlying PRC assets, as provided for in the Disposal Agreement, are the sole responsibility of the Purchaser and the Guarantor, who have provided corresponding indemnities. Accordingly, the financial effects of and intended use of net proceeds to the Group as stated are not expected to be impacted by such potential tax liabilities. Shareholders should note that the actual amount of the gain on Disposal to be recognised in the consolidated financial statements of the Company depends on (i) the net asset value of the Disposal Group attributable to the Company as at the Completion Date; (ii) the actual expenses incurred for the Disposal; and therefore the gain from Disposal is subject to the final review of the auditor of the Company and may be different from the amount mentioned above.

The Board intends to apply the net proceeds from the Disposal of approximately HK\$77.3 million as follows:

- (i) approximately 80% of the proceeds for expansion of the loan financing and securities investment business, the distribution business in Hong Kong and the manufacturing business in the PRC; and
- (ii) the remaining 20% applied as general working capital of the Remaining Group and new business opportunities.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 25% but all of them are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, and shareholders' approval requirements under Chapter 14 of the Listing Rules. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Disposal.

GENERAL

A circular containing, among other things, details of (i) the Disposal Agreement, Deed of Guarantee and the transactions contemplated thereunder, (ii) the notice convening the EGM, and (iii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 6 March 2026, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the section headed "Conditions Precedent" in this announcement, including the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. 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 following meanings:

| | |
|------------------------|--|
| “BJEG” | Beijing Ever Grand International Financial Leasing Co. Limited* (北京恒嘉國際融資租賃有限公司), a company incorporated in the PRC with limited liability |
| “Board” | the board of Directors |
| “BVI” | the British Virgin Islands |
| “Business Day(s)” | a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong and the PRC throughout their normal business hours |
| “Capital Injection” | the proposed capital injection by the Company and another shareholder into BJEG pro-rata to their shareholding in BJEG |
| “Company” | China Ever Grand Financial Leasing Group Co., Ltd., a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 379) |
| “Completion” | completion of the transfer of the Sale Share in accordance with the terms and conditions of the Disposal Agreement |
| “Completion Date” | the 7th Business Day after the day the last of the conditions set out in the Disposal Agreement has been satisfied or waived (or such other date as may be agreed by the parties to the Disposal Agreement in writing) |
| “Conditions Precedent” | the conditions precedent to Completion as set out in the section headed “Conditions Precedent” in this announcement |
| “connected person(s)” | has the meaning ascribed to it under Chapter 14A of the Listing Rules |
| “Consideration” | the consideration for the Disposal amounting to RMB70,000,000 |

| | |
|--------------------------------|--|
| “Deed of Guarantee” | a deed of guarantee executed by the Guarantor who has irrevocably and unconditionally guaranteed the due and punctual performance by the Purchaser of all its obligations under the Disposal Agreement. Under the terms of the guarantee, the Guarantor’s liability is unlimited, save that if the Purchaser has paid at least 30% of the total Consideration, the Guarantor’s aggregate liability would then be capped at RMB70,000,000 |
| “Director(s)” | director(s) of the Company |
| “Disposal” | the disposal of the Sale Share by the Vendor to the Purchaser, on and subject to the terms and conditions of the Disposal Agreement |
| “Disposal Agreement” | the agreement dated 3 February 2026 entered into between the Vendor, the Purchaser and the Guarantor in respect of the Disposal |
| “Disposal Company” | China Ever Grand Capital Group Limited (中國恒嘉資本集團有限公司), a company established in the BVI with limited liability and an indirect wholly owned subsidiary of the Company |
| “Disposal Group” | the Disposal Company and its Hong Kong subsidiary, Hong Kong Ever Grand Capital Limited, which in turn holds an 51.39% equity interest in BJEG currently classified as equity investment at fair value through other comprehensive income |
| “EGM” | the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder |
| “Financial Leasing Business” | the provision of finance lease consulting services and financing services in the PRC |
| “Group” | the Company and its subsidiaries |
| “Guarantor” | Mr. Qiao Weibing, a director and legal representative of BJEG |
| “HKFRSs” | Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants |
| “HK\$” or “HKD” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons |

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | within 6 months after the date of the Disposal Agreement or such date as may be mutually agreed in writing between the parties to the Disposal Agreement |
| “PRC” | the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan |
| “Purchaser” | Sheen Nation Holdings Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by the Guarantor |
| “Remaining Group” | the Company and its subsidiaries excluding the Disposal Group |
| “RMB” | Renmenbi, the lawful currency of the PRC |
| “Sale Share” | one (1) issued ordinary share in the capital of the Disposal Company, representing the entire share capital thereof |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Harvest Castle Holdings Limited (興隆控股有限公司), which is a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company |
| “%” | per cent. |
| “*” | for identification purposes only |

By order of the Board
China Ever Grand Financial Leasing Group Co., Ltd.
Wong Lik Ping
Chairman and Executive Director

Hong Kong, 3 February 2026

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.11.

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Siu Wai Bun, Mr. Tao Ke and Mr. Ng Tin Shui as Executive Directors; (2) Mr. Ng Kwok Sang, Mr. Wu Kai Tang, Mr. Leung Yiu Ming David and Ms. Lam Hoi Yan Karen as Independent Non-Executive Directors.