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## **Jiu Rong Holdings Limited** **久融控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2358)**

### **INSIDE INFORMATION** **UPDATE ON OVERDUE BORROWING AND NEW LITIGATION**

This announcement is made by Jiu Rong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the supplemental announcement of the Company dated 2 March 2026, wherein it was disclosed that Hangzhou Lu Yun Property Limited (“**Lu Yun**”), a subsidiary of the Group, had an outstanding borrowing with Bank of Communications Co., Ltd. involving a principal amount of RMB49,000,000, of which RMB3,500,000 had become overdue on 28 December 2025 (the “**BoCom Overdue Borrowing**”). At that time, the Directors were not aware of any legal actions initiated by the bank in respect of the BoCom Overdue Borrowing.

## **DETAILS OF THE NEW LITIGATIONS**

The board of directors (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that on 20 April 2026, the Group received a written court summons and a notification of response to action issued by the Hangzhou Shangcheng District People’s Court (the “**Court**”). The legal proceeding was initiated by Bank of Communications Co., Ltd. Hangzhou Gongshu Sub-branch (the “**Plaintiff**”) against Lu Yun (the “**Defendant**”) regarding a financial loan contract dispute under Case Number (2026) Zhe 0102 Min Chu No. 6794.

According to the civil complaint, the Plaintiff has made the following claims:

1. An order for the Defendant to repay the loan principal of RMB49,000,000 and the interest accrued up to 28 December 2025 amounting to RMB216,542 (comprising period interest of RMB216,303 and compound interest of RMB239).
2. The Plaintiff seeks to accelerate the maturity of the RMB45,500,000 borrowing, declaring it immediately due upon the service of the complaint. The Plaintiff demands that penalty interest and compound interest on the entire overdue principal be calculated at the 5-year Loan Prime Rate (LPR) plus 0.6% and a 50% premium, accruing until the date of actual and full settlement.
3. An order granting the Plaintiff priority compensation rights over the proceeds from the discount, auction, or sale of 31 mortgaged real estate properties located at Building 6, Liuhe Jinzuo, Xihu District, Hangzhou (registered under 31 Real Estate Registration Certificates) owned by the Defendant.
4. An order that the Defendant shall bear the litigation costs and related expenses of this case.

The Court has scheduled the hearing for this case to commence on 13 May 2026 at 14:30 at the Fund Town People’s Tribunal.

## **IMPACT ON THE FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP**

The Board has preliminarily assessed that, due to the default of certain debts, the Company and its subsidiaries may be liable for liquidated damages, late payment fees, and penalty interests in accordance with the relevant agreements. This could potentially increase the Group's finance costs, affect the Group's financing capability, and increase the pressure on its cash flow, subject to the outcome of the litigation. This exacerbates the Group's existing liquidity constraints, as previous property preservation measures associated with other litigations have already resulted in the freezing of the Group's bank deposits amounting to approximately RMB12,721,423, thereby restricting the deployment of certain working capital.

Furthermore, if this new litigation and the associated overdue borrowings are not properly resolved in the near term, there may be a risk of triggering cross-defaults among banks, which could adversely affect the Group's financial position and daily production and operations. As at the date of this announcement, the Company is not aware of any cross-default having been triggered. As a potential mitigating factor against direct cash outflows, the Plaintiff is simultaneously seeking a court order granting it priority compensation rights over the proceeds from the discount, auction, or sale of 31 mortgaged real estate properties owned by the Defendant. Notwithstanding the Litigations and the freezing of bank accounts, the major business segments of the Group as a whole remain under normal business operation.

## **VIEWS OF THE GROUP AND ACTIONS TAKEN**

The Company is currently seeking PRC legal advice regarding this litigation and is assessing its legal and financial implications. The management of the Group will actively communicate with the Plaintiff to explore the possibility of reaching a settlement and to mitigate any adverse impacts on the Group's operations. The Company will pay close attention to the progress of the litigation and will promptly perform its information disclosure obligations in accordance with the relevant laws and regulations.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Jiu Rong Holdings Limited**  
**Chen Yunxiang**  
*Executive Director*

Hong Kong, 20 April 2026

*As at the date of this announcement, the Executive Directors are Mr. Chen Yunxiang and Mr. Yan Zhendong, and the Independent Non-executive Directors are Mr. Hua Nengdong, Mr. Wong Po Keung and Ms. Lu Ruidi.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*