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QUARTERLY UPDATE ON RECENT DEVELOPMENT OF THE COMPANY

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

References are made to the announcements (the “**Announcements**”) of the Company dated 20 December 2019, 3 January 2020, 9 June 2020, 17 June 2020, 28 October 2020, 25 March 2021, 25 July 2021, 4 November 2021, 19 November 2021, 8 February 2022, 30 March 2022, 6 April 2022, 3 May 2022 and 8 June 2022, in relation to, among other things, (i) the decision of the Stock Exchange to suspend the trading of the Company’s shares under Rule 6.01(3) as the Company failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 (effective from 1 October 2019) to warrant the continued listing of its shares, (ii) the suspension of trading, and (iii) the Resumption Guidance respectively. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the Announcements, the Stock Exchange setting out the following guidance (“**Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- (i) Demonstrate compliance with Rule 13.24;
- (ii) Publish all outstanding financial results and address any audit modifications; and
- (iii) Demonstrate its compliance with Rules 3.10(1), 3.21, 3.25 and 3.27A.

The Stock Exchange may modify or supplement the Resumption Guidance if the Company’s situation changes.

Under Rule 6.01(A) of the Listing Rules, the Stock Exchange may cancel the Company’s listing if trading in the Company’s shares has been suspended for 18 continuous months. In the case of the Company, the 18-month period expires on 3 May 2023. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the satisfaction of the Stock Exchange and resume trading in its shares by 3 May 2023, the

Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10, the Stock Exchange also has the right to impose a shorter specific remedial period, when appropriate.

PARTIAL FULFILMENT OF RESUMPTION GUIDANCE

As the Final Results for the year ended 31 December 2021 of the Company was published on 27 May 2022, the Resumption Guidance (ii) had been fulfilled.

As the Company's announcement published on 13 July 2022, (i) Mr. Zhou Zhencun had been appointed as an independent non-executive Director, the Chairman of Nomination Committee, a member of Audit Committee and a member of Remuneration Committee of the Company; and (ii) Mr. Chen Yongping has been appointed as an independent non-executive Director, the Chairman of Audit Committee, a member of Nomination Committee and a member of Remuneration Committee of the Company, the Resumption Guidance (iii) had been fulfilled.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

The Company is taking appropriate steps to resolve the issues causing its trading suspension and to fully comply with the Listing Rules to the Stock Exchange's satisfaction. The status of resumption since the suspension of trading in the shares of the Company are summarised as follows:

BUSINESS UPDATE

The Company is a holding company and the Group is principally engaged in the provision of cross-border trading business and provision of finance leasing and consultancy service.

Cross-border e-commerce business

As disclosed in the annual report of the Company for the year ended 31 December 2021, riding on increase in demand for cross-border import of products for the customers in the PRC, the three tax-bonded warehouses of the Group in the PRC, the experience and business network of the Group in the cross-border trading business, the Group has commenced its cross-border e-commerce business since 2020. The Group possesses a system which is automatic and linked directly to the PRC Custom and Exercise Department for conducting clearance and delivery of shipments enabling the Group to provide considerable full customs clearance.

As at the date of this announcement, the Group has set up its cross-border e-commerce business with its online store on a third-party e-commerce platform, Pinduoduo. The Group sources products from the overseas by becoming authorised distributors for various overseas brands and products. Utilising the tax-bonded warehouses of the Group in different regions in the PRC, the Group imports such products to the customers in the PRC through third-

party e-commerce platforms. As such, the Group is an extensive e-commerce importer and retailer by operating its online store on the third-party e-commerce platform and providing sourcing, custom clearance, warehousing, distribution and delivery services to its customers.

With the above successful results, the Group is confident in further developing the cross-border e-commerce business by (i) expanding its customer coverage by setting up new sales channel through various third-party e-commerce platforms in second half of 2022; and (ii) expanding its product coverage by becoming authorised distributors for more overseas brands and products. As such, the Group considers it will record significant growth in the revenue from its cross-border e-commerce business.

Other principal businesses

As at the date of this announcement, the Group is carrying on its normal day-to-day operations for the provision of cross-border trading business and provision of finance leasing and consultancy service. Our future business development is in line with our expectation.

The Group will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group. It has been the business strategy of the Group to proactively seek potential business and investment opportunities with the aim of broadening its source of income and maximising return to the Shareholders.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading of the Company's shares will be suspended with effect from 9:00 a.m. on Thursday, 4 November 2021 pending further notice.

Further announcement will be made by the Company as and when appropriate.

By Order of the Board
Momentum Financial Holdings Limited
Liu Xin Chen
Executive Director

Hong Kong, 3 August 2022

As at the date of this announcement, the Board comprises two executive directors of the Company, namely, Mr. Liu Xin Chen and Mr. Zhang Rujie; and three independent non-executive directors of the Company, namely, Mr. Man Wai Lun, Mr. Zhou Zhencun and Mr. Chen Yongping.