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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, 8 June 2022, 3 August 2022 and 3 November 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 (the “**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 disclosed on the announcement published on 3 August 2022, the Resumption Guidance (ii) and (iii) above 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.

On 25 November 2022, the Company submitted a resumption proposal (the "**Resumption Proposal**") to the Stock Exchange to seek resumption of trading of the Shares. The Resumption Proposal, sets out, among others, the latest business operation and financial performance of the Company to demonstrate its compliance with Rule 13.24.

As at the date of this announcement, the Company is preparing further submission to the Stock Exchange to address their comments on the Resumption Proposal. Accordingly, 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.

## **BUSINESS UPDATE**

### **Cross-border business of the Group**

The Group continues to operate under both S2B2C model and B2C models with its own online shops through the online shopping platforms and is directly advertising and offering its overseas products to end customers in the PRC. As such, the Group is now a comprehensive cross-border e-commerce operator supplying cosmetics, personal care and nutritional products.

Leveraging on its position, the operation of cross-border business of the Group continues to grow with expanding customer and supplier base, including both e-commerce distributors and end customers. As such, it is expected that the cross-border business will continue to generate revenue and net profit for the Group.

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 was suspended with effect from 9:00 a.m. on Thursday, 4 November 2021 and will remain suspended until further notice.

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

Hong Kong, 6 February 2023

*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.*