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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, 3 November 2022 and 6 February 2023, 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 the Resumption Proposal to the Stock Exchange to seek resumption of trading of the Shares, which sets out, among others, the latest business operation and financial performance of the Company to demonstrate its compliance with Rule 13.24.

The Company has received comments from the Stock Exchange and made several submissions to the Stock Exchange to address their comments on the Resumption Proposal and provide further information to demonstrate the Company's compliance with Rule 13.24A of the Listing Rules.

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**

#### **Financial performance of the Group**

As disclosed in the annual report of the Group for the year ended 31 December 2022 ("FY2022"), during FY2022, the Group recorded revenue of approximately HK\$327.7 million with a gross profit and a net profit after tax of approximately HK\$23.1 million and HK\$15.2 million respectively. In particular, the revenue and gross profit generated from the cross-border business for FY2022 amounted approximately HK\$326.1 million and HK\$27.9 million respectively.

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

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

By providing comprehensive and valuable valued added services under the S2B2C and B2C model, the operation of cross-border business of the Group continues to grow with expanding customer and supplier base, including both e-commerce distributors and merchant customers. In particular, as the date of this announcement, the Group sources its products from over 20 suppliers for supplying to more than 30 merchant customers under the cross-border business. Due to the increasing demand in the imported products as the result of the gradual recovery of the economy from the impact of COVID-19, 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 will be suspended with effect from 9:00 a.m. on Thursday, 4 November 2021 pending further notice.

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

Hong Kong, 3 May 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.*