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SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE FORMATION OF THE JOINT VENTURE

Reference is made to the voluntary announcement of Hunlicar Group Limited (the “**Company**”) dated 14 August 2025 (the “**Announcement**”) in relation to the formation of the Joint Venture. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information to the shareholders and potential investors of the Company on the details and the business of the Joint Venture.

BUSINESS OF THE JOINT VENTURE

Business scope of the Joint Venture

The business scope of the Joint Venture covers:

- (i) the provision of consultation on comprehensive solutions and structural design. The Joint Venture will deliver tailored consulting services, crafting customised end-to-end solutions that align with each client’s specific profile, asset types, and target markets;
- (ii) the provision of advisory services on compliance. The Joint Venture, together with its legal practitioners, provides advisory services on regulatory compliance for clients working with AI, blockchain, real-world asset tokenisation, and the integration of Web 3.0 with traditional finance. This includes advising clients on adhering to Hong Kong’s relevant regulatory frameworks (such as those overseen by the Securities and Futures Commission (“**SFC**”) and Hong Kong Monetary Authority), drafting compliance policies for blockchain-based operations (e.g. real-world assets tokenisation and stablecoin usage), and providing training to clients’ internal teams on anti-money laundering/know-your-client procedures, data privacy, and post-launch compliance monitoring. The advisory services will be tailored to clients’ specific business; and

- (iii) the provision of matching services. The Joint Venture provides matching services to connect clients with qualified external service providers. The Joint Venture will match clients with external providers such as legal firms (for real-world assets tokenisation contract drafting), independent audit firms (for asset verification of tokenised real-world assets), and regulated financial institutions (for custodial services of digital assets). The Joint Venture will conduct due diligence on all external service providers to ensure they meet regulatory standards and align with the client's needs.

Since the Joint Venture will primarily provide consultancy services, there are no regulatory or licensing requirements applicable to the operation of the business of the Joint Venture.

Business model of the Joint Venture

The Joint Venture will generate revenue through three streams, namely (1) advisory fees for the provision of consultation on comprehensive solutions and structural design, (2) compliance advisory fees charged on a project basis, and (3) matching service fees charged on a commission basis.

Timeline

The Joint Venture targets to form a core team of consultants and complete due diligence on external service providers in the fourth quarter of 2025. In the first quarter of 2026, it will launch compliance advisory services and matching services. The Joint Venture will evaluate its operational performance (including adoption of compliance advisory services) and adjust priorities (e.g. expanding advisory coverage to new regulatory updates) based on market feedback by the end of 2026.

Biographical information of the management of the Joint Venture

The directors of the Joint Venture are Mr Cheung Lit Wan Kenneth (“**Mr Cheung**”) and Mr Zhou Xiaoyin (“**Mr Zhou**”). The biographical information regarding Mr Cheung and Mr Zhou is presented below:

Mr Cheung Lit Wan Kenneth

Mr Cheung, being the chairman and an executive director of the Company, has over thirty years of management experience in investment in securities, wealth management, asset management and financial products. He served as an executive director of Glory Sun Financial Holdings Limited, a subsidiary of Renze Harvest International Limited (stock code: 1282), principally engaged in the provision of financial services, including securities brokerage services, advisory services, asset management services, wealth management services and money lending services. He served as an executive director and chief executive officer of Glory Sun Securities Limited, a company principally engaged in the provision of securities brokerage services.

Mr Zhou Xiaoyin

Mr Zhou is a practitioner with twenty years of extensive knowledge in Hong Kong's financial industry, encompassing banking, asset management, regulation, and market operations. Most recently, he has spent five years in the Web 3.0 sector. As a director of the Joint Venture, Joe Zhou will leverage his expertise in blockchain finance to lead the business in a promising initiative aimed at accelerating the integration of Web 3.0 with traditional finance.

Apart from Mr Cheung and Mr Zhou, Mr Chan Wing Sum ("**Mr Chan**"), being an executive director and the chief executive officer of the Company, will provide support to the operation of the Joint Venture. Mr Chan has completed and obtained the Certificate of Fintech: Foundations & Applications of Financial Technology Specialisation from the Wharton School, University of Pennsylvania. He has acquired expertise in several key areas of fintech, including: (1) the foundations of fintech, payment systems, and regulatory frameworks; (2) the basics of cryptocurrency and blockchain, focusing on digital currencies; (3) modern lending practices, crowdfunding models, and innovative investment strategies; and (4) applications of AI, InsurTech, and the integration of technology in real estate. In addition, he earned an Advanced Diploma in Innovations and Digital Transformation from the MTF Institute of Management, Technology & Finance in Portugal. These qualifications reflect Mr Chan's commitment and expertise in fintech, blockchain, and digital transformation trends.

The Company currently has no plan to adopt the business of the Joint Venture as a new business segment and the Company has no intention, understanding, negotiation, or arrangement to downsize, discontinue or dispose of its existing businesses.

The Company would like to provide information to the shareholders and potential investors of the Company on the details of its investment strategy.

INVESTMENT STRATEGY OF THE COMPANY

Investment policy and objective

The Company adopts a balanced investment approach that combines both long-term and short-term investments.

For long-term investments, the Company focuses on assets that align with its strategic goals and have the potential for stable growth and appreciation over time. These investments aim to build long-term wealth, support the ongoing development of the Company's core business, and enhance its competitiveness in the market.

Short-term investments are primarily used for managing liquidity and seizing immediate market opportunities. These investments typically have a holding period of less than one year. The Company engages in short-term investments such as money market funds, short-term government bonds, and trading of listed equities. This strategy enables it to maintain adequate liquidity to meet its short-term financial obligations, such as operational expenses, while also capitalising on short-term market inefficiencies to generate additional returns.

The Company's investment scope covers the following financial assets:

- (i) Listed equities: the Company will consider investing in Hong Kong-listed stocks, with a primary focus on the fintech and consumer sectors. These sectors are in line with its strategic focus on financial innovation and understanding of consumer market trends. The listed equities will be held for one to three years. This enables the Company to capitalise on the growth potential of companies in the fintech and consumer sectors, aligning with industry trends and its strategic focus on long-term value creation;
- (ii) Fixed-income securities: the Company will consider Hong Kong government bonds and investment-grade corporate bonds. Hong Kong government bonds are considered low-risk and provide a stable source of interest income, while investment-grade corporate bonds offer relatively higher yields compared to government bonds, with an acceptable level of credit risk. The Company will hold fixed-income securities for the full term (usually two to five years) for government bonds and investment-grade corporate bonds and six months for short-term bonds for liquidity management. The primary purpose of investing in fixed-income securities is to earn interest income and achieve capital gains if sold before maturity in a favourable interest rate environment;
- (iii) Money market funds: the Company will consider investing in money market funds that SFC regulates. These funds provide a high level of liquidity and stable returns, suitable for its short-term liquidity management needs; and
- (iv) Equity-linked instruments: the Company will consider convertible bonds from listed companies, as they provide potential for capital appreciation if the underlying equity performs well, while also offering a fixed-income component through bond interest.

Permissible and prohibited investments

Permissible investments include investments in regulated financial products with transparent pricing and liquid markets, maintaining a risk level of moderate or lower. If investing in financial products with higher risk, the Company will limit the investment amount.

Prohibited investments include investments in unregulated financial products, such as non-compliant cryptocurrencies, highly speculative instruments, and assets located in sanctioned jurisdictions.

Risk management and control measures

- (i) **Defined risk limits:** the Company will implement strict thresholds for various types of risk to manage defined risk limits. Concentration risk will be controlled by capping exposure to any single investment type at 15% of total assets. Additionally, there will be a limit of 10% of total assets on blockchain-related investments to prevent over-reliance on emerging and volatile sectors. Market risk will be mitigated by restricting short-term equity trading to a maximum of 10% of total assets, thereby reducing vulnerability to market fluctuations. Credit risk will be managed by requiring a minimum credit rating of “BBB” (according to S&P/Fitch) for corporate bonds, while unrated debt will be prohibited entirely;
- (ii) **Counterparty risk:** the Company will only engage with counterparties (such as brokers, custodians, and stablecoin issuers) that are licensed by the regulators; and
- (iii) **Liquidity management:** to effectively manage liquidity, at least 25% of assets will be maintained in highly liquid instruments such as money market funds and short-term bonds, ensuring quick access to cash. Regular stress tests will be conducted to simulate scenarios such as client redemptions or market shocks. This ensures the Company’s ability to meet unexpected obligations and maintain operational liquidity.

Approval and oversight mechanism

The Company has adopted an approval and oversight mechanism for its securities trading and investments, ensuring prudent decision-making and compliance with regulatory requirements.

The Board holds the ultimate authority over investment decisions to protect shareholder interests. It is responsible for reviewing and approving proposed investments. Additionally, it will conduct regular evaluations of the overall investment strategy to assess its effectiveness in generating returns, managing risks, and supporting the Company’s business objectives.

To enhance accountability and compliance, the Company will hire external auditors or compliance firms to conduct internal audits in critical areas, including compliance with investment policies, adherence to risk limits, and the integrity of approval processes. This provides an independent assessment of the effectiveness of these mechanisms. Additionally, the Board will disclose information regarding investment performance and compliance status in the Company’s interim and annual reports. This ensures transparency for both shareholders and regulatory authorities.

This announcement is supplemental to, and should be read in conjunction with the Announcement. The above additional information does not affect other details and content set forth in the Announcement. Save as disclosed herein, all other contents of the Announcement remain unchanged and continue to be valid for all purposes.

By Order of the Board
Hunlicar Group Limited
Cheung Lit Wan Kenneth
Chairman

Hong Kong, 19 September 2025

As at the date of this announcement, the executive Directors are Mr Cheung Lit Wan Kenneth, Mr Chan Wing Sum and Ms Luo Ying; and the independent non-executive Directors are Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel.