XXF GROUP HOLDINGS LIMITED
喜相逢集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2473)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

THE PROPOSED ACQUISITION

On 4 August 2026 (after trading hours), the Company as purchaser, the Vendor, the Target Company and Mr. He entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK$149,986,000, which shall be satisfied by the allotment and issue of the Consideration Shares at the Issue Price to the Vendor at Completion.

As at the date of this announcement, the Target Company is legally and beneficially owned by the Vendor. The Vendor has completed the Vendor SPA and is the sole legal and beneficial owner of the entire issued share capital of the Target Company.

The Target Company directly holds 100% of the equity interest in NTS, which in turn holds approximately 85.45% (currently representing an effective 94.94% economic and voting interest) of Xinqite, a PRC-based automotive service chain principally engaged in automobile repair and maintenance, auto detailing and car washing, tyre sales and replacement, bodywork and painting, and other related automotive services. Upon Completion, the Target Company will be wholly owned by the Company, and accordingly, Xinqite will become an indirect non-wholly-owned subsidiary of the Company.

THE CONSIDERATION SHARES

The Consideration Shares in aggregate represent: (i) approximately 20.47% of the issued Shares as at the date of this announcement; and (ii) approximately 16.99% of the issued Shares as enlarged by the allotment and issue of the Consideration Shares, assuming that there will be no other change to the issued share capital of the Company from the date of this announcement to the date of Completion.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Acquisition are more than 5% but are all less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder. Although the Proposed Acquisition does not require Shareholders' approval under Chapter 14 of the Listing Rules, the allotment and issue of the Consideration Shares will be subject to the approval of the Shareholders pursuant to the Specific Mandate.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate to allot and issue the Consideration Shares.

The Circular containing, among others, (i) further details of the Sale and Purchase Agreement, the Proposed Acquisition and the issue of the Consideration Shares; (ii) details of the Specific Mandate; (iii) a notice of the EGM; and (iv) other information as required under the Listing Rules, will be despatched to the Shareholders in due course.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction or, where applicable, waiver of the Conditions as set out in the Sale and Purchase Agreement. Therefore, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

THE PROPOSED ACQUISITION

On 4 August 2026 (after trading hours), the Company, as purchaser, the Vendor, the Target Company and Mr. He entered into the Sale and Purchase Agreement in respect of the Proposed Acquisition.

The Sale and Purchase Agreement

The principal terms and conditions of the Sale and Purchase Agreement are set out below:

Date

4 August 2026

Parties

Vendor:	Jiary Development (Hong Kong) Limited
Purchaser:	the Company
Target Company:	PAGAC NTS Limited
Guarantor:	Mr. He

Mr. He is the sole shareholder and ultimate beneficial owner of the Vendor. Under the Sale and Purchase Agreement, Mr. He has agreed to be jointly and severally liable with the Vendor for, among other matters, the Vendor's indemnification obligations, pre-Completion liabilities relating to Xinqite and other obligations of the Vendor under the Sale and Purchase Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, Mr. He and their respective associates are Independent Third Parties. The Guarantor is, however, the vice chairman and general manager of Xinqite and directly holds 1.5% of the equity interest in Xinqite as at the date of this announcement.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK$149,986,000.

The Sale Share will be transferred free from all encumbrances and together with all rights and benefits attaching to it at or after Completion.

Consideration

The consideration for the Proposed Acquisition is HK$149,986,000, which shall be satisfied by the allotment and issue of 380,000,000 Consideration Shares at the Issue Price of HK$0.3947 per Consideration Share to the Vendor upon Completion.

The total consideration was determined after arm's length negotiations between the Company and the Vendor with reference to, among others, (i) the valuation of Xinqite prepared by the Independent Valuer as set out in the section headed "Valuation" in this announcement; (ii) the business growth and prospects of the Target Group; and (iii) the factors set out in the section headed "Reasons for and benefits of the Proposed Acquisition" in this announcement.

Waiver of the Xinqite Shareholders Loans

As disclosed below, the waiver of the Xinqite Shareholders Loans is a condition precedent to Completion under the Sale and Purchase Agreement. Mr. He has agreed to procure the waiver of the Xinqite Shareholders Loans in full, with no recourse or conditions.

VALUATION

The Company engaged Masterpiece Valuation Advisory Limited (the Independent Valuer) to conduct an independent valuation of Xinqite as at 30 June 2026 (the Base Date).

Qualification and Independence of the Independent Valuer

The Board has reviewed and enquired into the qualifications and experience of the Independent Valuer.

The responsible persons of the Independent Valuer are Mr. Oswald Au, Mr. Paul Hau and Ms. Amanda Liu. Mr. Oswald Au is the Managing Director of the Independent Valuer. He is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation, property valuation and business consulting in Hong Kong and the PRC. He has advised clients in a range of industries, including automobile, pharmaceutical, biotech, technology and healthcare service, etc. Mr. Paul Hau is a Director of the Independent Valuer. He is a member of Hong Kong Institute of Certified Public Accountants. He has over 10 years' experience in business valuation, merger & acquisition projects and business consulting in Hong Kong and the PRC. He has advised clients in a range of industries, including automobile, financial, biotech, artificial intelligence, technology and energy, etc. Ms. Amanda Liu is a Director of the Independent Valuer. She is a Certified Public Valuer. She has over 8 years' professional experience in valuation service and financial advisory service. She has advised clients in a range of industries, including automobile, financial, technology and resources, etc.

Taking into account the above qualifications and experience of Mr. Au, Mr. Hau and Ms. Liu, the Board considers the Independent Valuer as a competent expert in performing the valuation.

To the best of the Directors' knowledge and belief and having made all reasonable enquiries, the Independent Valuer is independent of the Group, the Vendor, Mr. He, the Target Group and their respective associates.

Valuation Approach and Methodology

In arriving at the appraised value of Xinqite, the Independent Valuer applied the market approach, specifically the comparable company method, to determine the fair value of the equity interest as at the Base Date. In selecting the valuation methodology, the Independent Valuer considered the three generally accepted valuation approaches, namely the income approach, the cost approach, and the market approach.

The cost approach was deemed inappropriate as it assumes separable assets and liabilities, which is more suited to industries with highly liquid assets such as real estate developers or financial institutions. The income approach was also considered unsuitable due to the reliance on subjective assumptions and financial projections, which introduce significant uncertainty.

The income approach was also considered inappropriate due to the reliance on financial projections and assumptions that may reflect management bias, future uncertainties, and lack objective supporting data, which could significantly distort the fair value.

The market approach was the most appropriate methodology, given the availability of actively traded, substantially similar equities in the public markets and observable transaction data for comparable companies. This method relies on market-derived multiples from publicly listed companies engaged in businesses similar to that of Xinqite.

Under the comparable company method, the Independent Valuer identified a set of comparable publicly listed companies and calculated the price to earnings (P/E) multiple for each. The median P/E multiple was then applied to Xinqite's latest twelve months earnings up to 30 June 2026. Further adjustments were made for size differentials. A lack of marketability discount and a control premium were also applied to reflect the privately held nature of Xinqite and the controlling interest being valued.

Selection criteria for comparable companies

Comparable companies were identified and selected based on the following criteria:

(i) the primary business of the comparable public companies is automotive service and repair and related products, with over 50% of their revenues derived from these activities;

(ii) the comparable public companies are listed on major stock exchanges (Hong Kong, China, US and Canada);

(iii) the financial information of the comparable public companies is publicly available; and

(iv) the earnings of the comparable public companies are positive.

Based on the above criteria, an exhaustive set of four comparable companies were identified.

Details of the comparable companies are as follows:

No.	Company Name	Ticker	Stock Exchange	Business Description	Business Segment
1	TUHU Car Inc. Class A	9690-HK	Hong Kong Stock Exchange	TUHU Car, Inc. engages in the provision of online and offline platforms for automotive service. It offers automotive service demands ranging from tires and chassis parts replacement to auto maintenance, repair, and detailing. The company was founded by Min Chen, Xiao Dong Hu, Ke Ren Zhou, and Yan Zhu in 2011 and is headquartered in Shanghai, China.	Tires & Chassis Parts: 42% Auto Maintenance: 37% Other: 21%
2	Boyd Group Services Inc	BYD-CA	Toronto Stock Exchange	Boyd Group Services, Inc. provides automotive collision and glass repair services. Its services include collision repair, glass replacement, and related automotive services. The company was founded by Terry Smith on November 1, 1990 and is headquartered in Winnipeg, Canada.	Automotive Collision Repair & Related Services: 100%
3	Valvoline, Inc.	VVV-US	NYSE	Valvoline, Inc. is a pure-play service provider focusing on preventive automotive maintenance. Under its core brand VIOC (Valvoline Instant Oil Change), the Company operates approximately 2,400 company-owned and franchised physical maintenance service centers across the United States and Canada. Founded by John Ellis in 1866, the company is headquartered in Lexington, Kentucky, the United States.	Oil Changes & Related Fees: 73% Others: 27%
4	Monro, Inc.	MNRO-US	NASDAQ	Monro, Inc. engages in the operation of chain stores that provide automotive undercar repair and tire services. It also offers services for brakes, mufflers and exhaust systems, and steering, drive train, suspension and wheel alignment. It operates under the brand names Monro Auto Service and Tire Centers, Tire Choice Auto Service Centers, Mr. Tire Auto Service Centers, Car-X Tire & Auto, Tire Warehouse Tires for Less, Ken Towery's Tire & Auto Care, Tire Barn Warehouse, and Free Service Tire and Auto Centers. The company was founded by Charles J. August in 1957 and is headquartered in Fairport, NY.	Tires: 48% Maintenance: 27% Others: 25%

Source: FactSet and annual reports of the comparable companies.

The P/E multiples, along with the market capitalization of the comparable companies as of the Base Date, are listed in the table below:

No	Company Name	Currency	Market capitalization as of Base Date[(1), (3)]	Latest Twelve Months Earnings[(2), (3)]	Unadjusted P/E	Size-adjusted P/E[(3)]
1	TUHU Car Inc.	HKD'million	9,649	454	21.25x	15.64x
2	Boyd Group Services Inc	CAD'million	3,737	18	205.35x	45.94x
3	Valvoline, Inc.	USD'million	5,043	94	53.93x	24.85x
4	Monro, Inc.	USD'million	535	2	246.04x	246.04x (outlier)[(6)]
	Median excluding outlier Before LoMD and CP[(4), (5)]					**24.85x**
	Lack of Marketability Discount ("**LoMD**")[(5)]					15.70%
	Control Premium ("**CP**")[(5)]					38.40%
	Median excluding outlier After LoMD and CP					**28.99x**

Notes:

(1) Data sourced from FactSet and annual reports of comparable companies. The market capitalization of the comparable companies is stated in their local currencies and computed based on the equity value of the companies as of 30 June 2026.

(2) Data sourced from FactSet. Latest Twelve Months ("**LTM**") Earnings of the comparable companies is based on the trailing twelve months financial data of the comparable companies available as of Base Date.

(3) *Size Adjustments on Valuation Multiple*

Historical returns on marketable securities indicate that small companies are riskier than larger companies. The multiple used in the guideline public company method is an inverse of a capitalization rate. A higher capitalization rate represents higher risk and consequently a lower multiple. Using multiples of guideline public companies might lead to the overstatement of a subject company's value. Adjustments might be made for such size differences. In the Valuation, the valuation multiples are adjusted with reference to "Adjusting Guideline Multiples for Size" by Mattson, Shannon and Drysdale published in September/October 2001 Valuation Strategies, which is a methodology accepted and applied in valuation profession.

The following formula is adopted in deriving the size adjustment:

$$Adjusted\ Multiple \;=\; \frac{1}{\frac{1}{Multiple} + \theta}$$

Where:

- θ is the size differential of which the underlying size premium data are taken with reference to Center for Research in Security Prices ("CRSP") Deciles Size Premia as of 31 December 2025, by Kroll — Cost of Capital Navigator;

(4) Median and average share the same role in understanding the central tendency of a set of numbers. Median, which would not be affected by extreme values, is regarded as a better mid-point measure for skewed number distributions. Hence, median is adopted to derive the result, which the Independent Valuer considers to be a more reasonable approach to prevent the outliers from distorting the result.

(5) *Marketability Discount and Control Premium*

Lack of Marketability Discount ("LOMD") reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held Company are typically not readily marketable compared to similar interests in publicly listed Company. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The P/E multiple adopted in the valuation was calculated from public listed Company, which represents marketable ownership interest. Fair value calculated using such P/E multiple, therefore, represents the marketable interest. Thus, LOMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value.

The report "*Stout Restricted Stock Study Companion Guide (2025 edition)*" by Stout Risius Ross, LLC, a reputable research company, suggested an median marketability discount for the 783 transactions is about 15.7%. A marketability discount of 15.7% is considered appropriate and suitable for this valuation as the Independent Valuer understands that Xinqite is a privately held company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

Fair Value of Non-Marketable Interest = Fair Value of Marketable Interest x (1 – LOMD)

Control premium is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company. The multiple adopted in the valuation was calculated from public listed companies, which represents minority ownership interest; market value calculated using such multiple, therefore, represents the minority interest.

Thus, control premium was adopted to adjust such minority interest market value to controlling interest market value.

Adjustment for control is made by the application of a control premium to the value of Xinqite's shares. The report "*Control Premium Study: 1st Quarter 2026*" by FactSet Mergerstat, LLC, a reputable research company, suggested a median invested capital control premium for about 38.4%. A control premium of 38.4% is considered appropriate and suitable for this valuation as the Independent Valuer understands that the Company intends to acquire a controlling stake in Xinqite.

The value of controlling interest can be calculated from minority interest using the following formula:

Fair Value of Controlling Interest = Fair Value of Minority Interest x (1 + Control Premium)

Combining the adjustments on LOMD and control premium:

Adjusted adopted multiple = adopted multiple x (1 – LOMD) x (1 + Control Premium)

(6) Monro, Inc. (MNRO-US) is treated as statistical outlier and excluded from the calculation of the median P/E multiple. Its P/E multiple (246.04x) significantly exceeds the range of other comparable public companies (approximately 15.64x to 45.94x) and is not representative of its valuation.

Valuation Result

LTM Earnings of Xinqite (RMB'000)[(1)]	4,769
Adjusted Median P/E Multiple[(2)]	28.99x
Estimated 100% Equity Value of Xinqite (RMB'000)[(3)]	**138,256**
Estimated 100% Equity Value of Xinqite (HKD'000)[(3)]	**160,000**
95% Equity Value of Xinqite (HKD'000) Rounded[(3)]	**152,000**

Notes:

(1) LTM earnings based on the latest twelve months ending 30 June 2026 unaudited financial statement of Xinqite.

(2) Selected P/E Multiple is based on the median P/E multiple computed through Guideline Company Method.

(3) The figures may not exactly add up or cross-foot due to rounding.

(4) The exchange rate of RMB to HKD is approximately 1.16.

Key Assumptions

The Independent Valuer has adopted the following key assumptions in its valuation:

- there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the business of Xinqite;

- there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values;

- Xinqite operates continuously as a going concern;

- there is no material change to the national macro-economic, industrial and regulatory development policies;

- there is no material change to the relevant tax base and tax rates after the Base Date;

- the management of Xinqite is responsible and stable, and is capable of its undertakings after the Base Date;

- Xinqite fully complies with all relevant laws and regulations; and

- there is no force majeure which has material adverse effects on Xinqite.

The Board's View on the Valuation

The Board (including the independent non-executive Directors) has reviewed the valuation report and discussed the methodology, bases and assumptions with the Independent Valuer. The Board concurs with the Independent Valuer's view that the market approach (comparable company method) is the most appropriate methodology to determine the value of Xinqite.

The Board has also considered the key assumptions set out in the valuation report and is satisfied that they are reasonable in the circumstances.

Taking into account the above, the Directors (including the independent non-executive Directors) are of the view that the independent valuation provides a fair and reasonable basis for determining the Consideration, and that the Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

CONSIDERATION SHARES

The Consideration Shares comprise up to 380,000,000 new Shares under the Sale and Purchase Agreement, which will be allotted and issued at the Issue Price of HK$0.3947 per Consideration Share, credited as fully paid.

The Issue Price represents:

(i) a discount of approximately 21.8% to the closing price of HK$0.505 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

(ii) a discount of approximately 14.0% to the average closing price of approximately HK$0.459 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Sale and Purchase Agreement;

(iii) a discount of approximately 14.8% to the average closing price of approximately HK$0.463 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Sale and Purchase Agreement; and

(iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 3.7%, based on the theoretical diluted price of approximately 0.486 per Share to the benchmarked price of approximately HK$0.505 per Share, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of the Sale and Purchase Agreement.

The Company considers the Issue Price, which was determined after arm's length negotiation between the Group and the Vendor, to be fair and reasonable having considered, among other things, (i) that the issue of Consideration Shares as consideration would enable the Company to acquire the controlling interest in the Target Group without causing an undue burden on the Company's cash flow; (ii) the reasons for and benefits of the Proposed Acquisition as described in the paragraph headed "Reasons for and benefits of the Proposed Acquisition" in this announcement; and (iii) the Profit Guarantees made by the Vendor and Mr. He.

The aggregate nominal value of the Consideration Shares is HK$1,266,666.67.

The Consideration Shares in aggregate represent up to (i) approximately 20.47% of the issued Shares as at the date of this announcement; and (ii) approximately 16.99% of the issued Shares as enlarged by the allotment and issue of the Consideration Shares, assuming that there will be no other change in the issued share capital of the Company from the date of this announcement to Completion.

The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue. The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be granted by the Shareholders at the EGM.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

CONDITIONS PRECEDENT

The Company's obligation to effect Completion under the Sale and Purchase Agreement is subject to the fulfilment on or before the Long Stop Date (or waiver in writing by the Company) of each of the following conditions (the "**Vendor CPs**"):

(a) the Company having completed its business, financial and legal due diligence on the Target Group and the results of such due diligence be satisfactory to the Company in its absolute discretion;

(b) all representations and warranties made by the Vendor and the Target Company in the Sale and Purchase Agreement remaining true and accurate in all material respects as at the Completion Date and do not contain any material omission or misleading statement, as if re-made on the Completion Date;

(c) the Vendor, Mr. He and the Target Company having performed and complied with all covenants and obligations required to be performed or complied with by them in the Sale and Purchase Agreement on or before the Completion Date;

(d) no Material Adverse Effect having occurred in respect of the Target Group since the Base Date;

(e) the Company has obtained all governmental, regulatory and internal approvals, consents, licences or filings necessary to effect the transactions contemplated by the Sale and Purchase Agreement including but not limited to (i) approval granted by the Listing Committee of the Stock Exchange for the listing and dealing of the Consideration Shares, which approval shall remain in full force and effect as at the Completion Date and shall not have been revoked, withdrawn or made subject to any conditions or restrictions; (ii) Company shareholders' approval of the transaction contemplated by the Sale and Purchase Agreement; and (iii) all approvals required under the Company's memorandum and articles of association and applicable laws in respect of the execution, performance and completion of the Sale and Purchase Agreement;

(f) the Target Group having obtained all third-party consents or waivers required for the transactions contemplated by the Sale and Purchase Agreement;

(g) no investigation, enforcement action, penalty proceeding or litigation by any governmental authority against the Target Group (including Xinqite and its subsidiaries) that could reasonably be expected to have a Material Adverse Effect on the Target Group;

(h) the Xinqite Shareholders Loans having been acquired by the Vendor (or its designated PRC entity) under the Vendor SPA and subsequently waived or capitalised in a manner acceptable to the Company, with supporting documentation provided to the Company;

(i) the equity interests and assets of each member company of the Target Group being free from any encumbrance (other than those disclosed in the disclosure letter and discharged prior to Completion); and

(j) save for those that have been waived or converted into capital in accordance with the scheme approved by the Company under paragraph (h) above, no member company of the Target Group has any outstanding shareholder loans or Xinqite Shareholders Loans (other than those waived or converted into capital).

Save for conditions (e) and (f) of the Vendor CPs, the Vendor's obligation to effect Completion is subject to the fulfilment on or before the Long Stop Date (or waiver in writing by the Vendor) of each of the following conditions (the "**Company CPs**"):

(a) all representations and warranties made by the Company in the Sale and Purchase Agreement remaining true and accurate in all material respects as at the Completion Date and shall not contain any material omission or misleading statement;

(b) the Company having performed and complied with all covenants and obligations required to be performed or complied with by it under the Sale and Purchase Agreement on or before the Completion Date; and

(c) the Shareholders having approved the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate, and the Listing Committee having approved the listing of, and permission to deal in, the Consideration Shares.

The Company may at any time waive in whole or in part and conditionally or unconditionally any of the Vendor CPs. The Vendor may at any time waive in whole or in part and conditionally or unconditionally any of the Company CPs.

The conditions relating to Shareholders' approval, approval for the listing of and permission to deal in the Consideration Shares, and any other regulatory approval required by law or the Listing Rules are not capable of waiver.

As at the date of this announcement, none of the Conditions has been fulfilled or waived.

The Vendor and the Company have undertaken to use their best endeavours to procure that their respective Conditions are satisfied on or before the Long Stop Date.

If any Condition remains unsatisfied on the Long Stop Date and the parties have not reached a written agreement to waive that condition or to extend the Long Stop Date, any party not in breach may, by written notice to the other party, terminate the Sale and Purchase Agreement. Upon termination of the Sale and Purchase Agreement, except as otherwise provided in the Sale and Purchase Agreement, the parties' rights and obligations under the Sale and Purchase Agreement shall cease, provided that any rights and obligations accrued prior to termination shall remain unaffected.

BREAK FEE

If the Sale and Purchase Agreement is terminated because any of the Vendor CPs (other than those waived by the Company, if any) has not been fulfilled or waived on or before the Long Stop Date, the Vendor and Mr. He shall, jointly and severally, pay a fixed termination fee of HK$1,500,000 in cash to the Company within ten Business Days after the Company's written demand, as reimbursement for the costs and expenses incurred by the Company in connection with the Proposed Acquisition. The payment of such amount shall be without prejudice to any other rights or remedies the Company may have against the Vendor or Mr. He under the Sale and Purchase Agreement or at law.

PROFIT GUARANTEES

Pursuant to the Sale and Purchase Agreement, the Vendor and Mr. He jointly and severally, and irrevocably, guarantee to the Company that the Actual Net Profit of the Xinqite Group for each Guarantee Period will not be less than the corresponding Guaranteed Profit set out below ("**Profit Guarantees**"):

Guarantee Period	**Guaranteed Profit**
2026 Guarantee Period	RMB7,000,000
2027 Guarantee Period	RMB9,000,000

The calculation of Actual Net Profit for each Guarantee Period assumes that the Xinqite Shareholders Loans have been waived and that no related interest expenses are incurred in 2026 and 2027.

In the event that the Actual Net Profit for any Guarantee Period is less than the relevant Guaranteed Profit, the Vendor and the Guarantor shall pay the shortfall to the Company in cash within 30 days after receipt of written notice from the Company. The amount of the compensation shall be calculated as follows:

Compensation for 2026 = (2026 Guaranteed Profit – 2026 Actual Net Profit) x 30% x 18.4

Compensation for 2027 = (2027 Guaranteed Profit – 2027 Actual Net Profit) x 70% x 15.5

The Compensation shall be paid in cash. If the Vendor and Mr. He fail to make full payment on time, the Company shall be entitled to deduct the outstanding amount directly from any sums payable to the Vendor. If the cash payment is insufficient to satisfy the Compensation in full, the Vendor and Mr. He shall remain jointly and severally liable to make up the shortfall, and shall continue to bear such obligation until fully discharged.

COMPLETION

Completion of the Sale and Purchase Agreement shall take place on the fifth (5th) Business Day immediately following the day of the fulfilment (or waiver, as applicable) of all the Conditions above or on such other date as the Company and the parties may agree in writing.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. The Target Company holds 100% of NTS, which in turn holds approximately 85.45% (currently representing an effective 94.94% economic and voting interest) of Xinqite as at the date of this announcement. Subject to completion of the pre-Completion restructuring (including the capital reduction by Shanghai Yiru), the effective shareholding of NTS in Xinqite will increase to approximately 94.94%, and Xinqite will become an indirect non-wholly-owned subsidiary of the Company.

INFORMATION ON THE PARTIES INVOLVED

Information of the Company

The Company is a company incorporated in the Cayman Islands with limited liability and is an established automobile retailer providing automobile finance lease service primarily through its self-operated sales outlets in the PRC.

The Group's principal businesses comprise: (i) automobile retail and finance, where it sells non-luxury automobiles mostly on direct finance lease; (ii) automobile-related businesses, where it primarily offers automobile operating lease service and other automobile-related services; and (iii) outright car sales business, where it sells cars on a one-off basis.

Information of the Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

On 15 July 2026, the Vendor entered into the Vendor SPA to acquire the entire issued share capital of the Target Company for a total consideration of RMB35,000,000 (or equivalent in HK$), of which (i) RMB5,000,000 was payable on or before 3 August 2026 (upon which completion of the Vendor SPA would take place ("**Vendor SPA Completion**")), and (ii) the balance of RMB30,000,000 shall be payable within 14 days after the Vendor SPA Completion. Under the Vendor SPA, the Vendor will enter into a debt transfer agreement with 上海鳴潤商務諮詢有限公司 and 南京易自助網絡科技有限公司 to acquire the Xinqite Shareholders Loans for a cash consideration of RMB1 within 14 days of the Vendor SPA Completion, such transfer to take effect immediately upon full payment of the total consideration disclosed above. As of the date of this announcement, the Vendor SPA Completion has occurred and the Vendor is the sole legal and beneficial owner of the Sale Share, representing the entire issued share capital of the Target Company.

As at the date of this announcement, the initial payment of RMB5 million under the Vendor SPA has been paid by the Vendor in accordance with its terms. The balance payment of RMB30 million will be funded by Mr. He personally and to be paid in accordance with the payment terms of the Vendor SPA. The Vendor has completed the Vendor SPA and the shareholder registration formalities with the BVI registered agent of the Target Company have been completed. The Vendor is the sole legal and beneficial owner of the entire issued share capital of the Target Company.

Information of Mr. He

Mr. He is a PRC citizen and is currently the vice chairman and general manager of Xinqite, a position he has held since September 2005. He directly holds 1.5% of the equity interest in Xinqite as at the date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor, Mr. He, and their respective associates are Independent Third Parties. Mr. He does not fall within the definition of "connected person" under Chapter 14A of the Listing Rules as at the date of this announcement.

Mr. He is the sole shareholder and ultimate beneficial owner of the Vendor. The Vendor is the sole legal and beneficial owner of the Target Company, and Mr. He, through the Vendor, is the ultimate beneficial owner of the Target Company.

INFORMATION ON THE TARGET GROUP

Industry Overview

China has become the world's largest automotive market. According to the latest data from the Ministry of Public Security, as of 2025, the total number of motor vehicles nationwide reached 469 million, with passenger vehicles accounting for approximately 90% of the total automobile fleet. However, passenger vehicle ownership stands at only about 234 units per 1,000 people – lower than in developed regions such as the United States (855 units per 1,000 people) and EU member states (582 units per 1,000 people)—indicating significant room for growth. China has ranked first globally in new vehicle sales for ten consecutive years. Passenger vehicle ownership in China is projected to maintain its growth momentum, reaching 374 million units by 2027.

As the total number of passenger vehicles in China steadily rises, the age structure of the fleet is gradually shifting. The average age of passenger vehicles in China increased from 4.9 years in 2018 to 7.3 years in 2025 and is projected to reach 8.0 years by 2027. The expanding fleet size and rising average vehicle age in China drive a corresponding increase in the demand for automotive services.

Currently, under the "Regulations on the Mandatory Scrapping Standards for Motor Vehicles", there is no mandatory scrapping age for private cars (including internal combustion engine vehicles). Private cars exceeding 15 years of age but with a total mileage of less than 600,000 kilometers may remain on the road, provided they are in good condition and pass the annual vehicle inspection. Furthermore, the Notice on Measures to Revitalize Automobile Circulation and Expand Automobile Consumption, issued in July 2022, indicates the government's commitment to boosting the vitality of the used-car market and further supporting the appropriate circulation and use of older vehicles.

Automotive services, including repair and maintenance, cleaning and detailing, and the installation of accessories – represent a critical component of user needs throughout the vehicle lifecycle. China's automotive services market encompasses services provided for all registered passenger vehicles on the road; the total market demand is directly correlated with factors such as the total number of passenger vehicles in operation and the average age of the vehicle fleet.

Driven by a massive and steadily expanding vehicle parc and the increasing average age of vehicles, China's automotive service market has become one of the fastest-growing in the world. According to a report by China Insights Consultancy, the market size of China's automotive service market, measured by Gross Merchandise Value, is projected to reach RMB1,931.9 billion by 2027.

The Target Company

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

As at the date of this announcement, the Target Company is legally and beneficially owned by the Vendor. The Target Company directly holds 100% of the issued share capital of NTS.

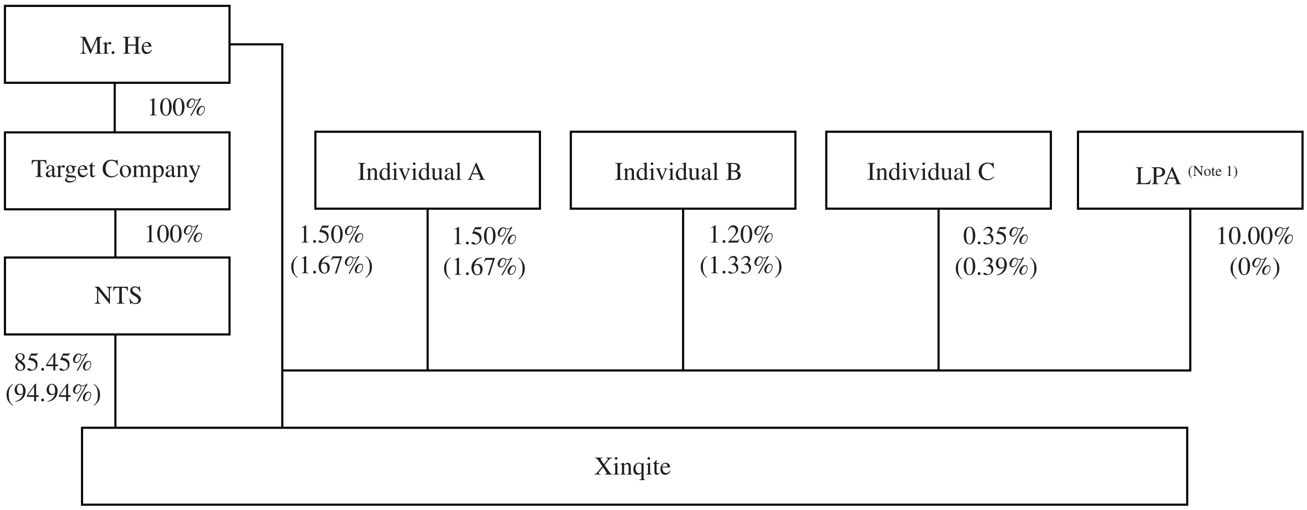
NTS

NTS is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the date of this announcement, NTS directly holds approximately 85.45% (currently representing an effective 94.94% economic and voting interest) of the equity interest in Xinqite. Subject to completion of the Vendor SPA (in particular, the capital reduction by Shanghai Yiru), the effective shareholding of NTS in Xinqite will increase to approximately 94.94%.

Xinqite

Xinqite is a foreign-invested joint stock limited company established in the PRC. Xinqite is principally engaged in integrated automotive aftermarket services in the PRC. Its business operations cover the full spectrum of vehicle-related needs, including maintenance and repair, detailing and customization, tires and wheels, and automotive insurance. Xinqite is headquartered in Shanghai. As of 31 May 2026, Xinqite operates 24 stores nationwide, all of which are directly managed, comprising 7 stores in Shanghai, 9 in Fujian, 6 in Nanjing (including one yet to open), and 2 in Suzhou.

The shareholding structure of the Target Group as at the date of this announcement (Note 2) is as follows:



Notes:

1. Shanghai Yiru has not contributed its registered capital of RMB10 million (representing 10% of Xinqite's registered capital) and has issued an irrevocable undertaking on 15 July 2026 to (i) waive all shareholder rights attaching to such unpaid capital, (ii) undertake not to contribute such capital, and (iii) cooperate with Xinqite in completing the capital reduction for such capital.

2. The percentage shareholding in parenthesis illustrates the effective shareholding based on the irrevocable undertaking of Shanghai Yiru referred to in Note 1 above.

Xinqite's principal business activities are summarised as follows:

(1) **Car Repair & Oil Change/Maintenance**: Automotive repair is Xinqite's primary business. Specific services include routine maintenance, mechanical repairs, chassis and suspension repairs, and electrical/electronic control system repairs. Oil change services are performed based on mileage or time intervals (typically 5,000-10,000 km or 6-12 months, whichever comes first). Xinqite charges service fees and fees for parts (being a mark-up on costs) for general repairs, and charges for oil and filter changing services (being a margin over costs).

(2) **Auto Detailing & Car Wash**: Auto detailing serves as a key driver for attracting customers and generating revenue. Specific services include exterior washing, deep interior cleaning, engine bay cleaning, and A/C system cleaning. Through membership programs, Xinqite converts this traffic into other services such as repairs and bodywork/painting.

(3) **Tire Sales & Mounting/Replacement**: Xinqite conducts tire mounting/replacement and also wholesales tires to third party retailers. Revenue is generated from tire sales (margin over costs) and service fees for mounting and dismounting.

(4) **Bodywork and Painting**: Xinqite provides automotive body and paint services – comprising sheet metal repair, color matching, painting, and sanding, primarily for body repair and paint restoration following collision accidents.

Xinqite's customers are primarily: (a) individual retail customers for basic services such as car repair, car washing, and detailing; (b) insurance companies for auto body and paint repair services; and (c) corporate clients for vehicle maintenance services.

FINANCIAL INFORMATION OF XINQITE

As the Target Company is an investment holding company, the financial information set out below relates to Xinqite, being the principal operating company and underlying asset of the Target Group.

The financial information of Xinqite set out below has not been audited. The figures are based on Xinqite's internal management accounts and prepared in accordance with the PRC Accounting Standards for Business Enterprises.

Set out below is a summary of the financial information of Xinqite for the two years ended 31 December 2024 and 31 December 2025, and the six months ended 30 June 2026:

	For the year ended 31 Dec 2024	For the year ended 31 Dec 2025	For the six months ended 30 Jun 2026
Revenue	RMB162,119,183.77	RMB159,747,530.96	RMB80,667,178.59
Profit/(loss) before taxation	RMB(3,178,356.29)	RMB15,227.52	RMB777,095.25
Profit/(loss) after taxation	RMB(3,303,143.94)	RMB2,298.01	RMB736,909.77

The profit after taxation of Xinqite for the two years ended 31 December 2024 and 31 December 2025 and the six months ended 30 June 2026, adjusted to reflect the interest savings assuming the Xinqite Shareholders Loans had been waived before 1 January 2024 and no related interest expenses were incurred during those periods, amounts to approximately RMB1,978,246.12, RMB3,997,951.46 and RMB2,128,081.23 respectively.

As at 30 June 2026, Xinqite had total assets of approximately RMB38,989,379.38, total liabilities of approximately RMB384,612,950.00 and net liabilities of approximately RMB345,623,570.62, being RMB141,352,151.81 if adjusted for the waiver of the Xinqite Shareholders Loans.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the issue and allotment of the Consideration Shares in full:

Shareholders of the Company	As at the date of this announcement *Number of Shares held*	*Approx. %*	Immediately after Completion *Number of Shares held*	*Approx. %*
The Vendor	0	0	380,000,000	16.99
Glorypearl Capital Resources Company Limited [(1)]	190,629,882	10.27	190,629,882	8.52
Other entities controlled by Mr. Huang Wei [(2)]	88,726,180	4.78	88,726,180	3.97
Mr. Huang Wei	3,000,000	0.16	3,000,000	0.13
Sub-total (Mr. Huang Wei)	**282,356,062**	**15.21**	**282,356,062**	**12.63**
Mr. Ye Fuwei [(3)]	2,863,587	0.15	2,863,587	0.13
Public Shareholders	1,571,030,351	84.63	1,571,030,351	70.25
Total	**1,856,250,000**	**100.00**	**2,236,250,000**	**100.00**

Notes:

(1) Glorypearl Capital Resources Company Limited, a British Virgin Islands company wholly owned by Mr. Huang Wei (黃偉), an executive Director, chairman of the Board and chief executive officer of the Company.

(2) These Shares are held through certain British Virgin Islands incorporated entities which are in turn held through certain PRC entities controlled by Mr. Huang Wei, including Happy Gain Business Developments Limited, Precious Luck Developments Management Limited and Southern Fortune Enterprises Management Limited.

(3) Mr. Ye Fuwei is an executive Director. These Shares are held through Billion Aspire Holdings Limited, which is a corporation controlled by Mr. Ye Fuwei.

(4) The above table does not take into account any Shares which may be allotted and issued upon the exercise of options granted under the pre-IPO share option scheme or the share option scheme of the Company adopted on 9 October 2023.

The Company expects that upon the issue of the Consideration Shares, it will continue to maintain the public float required under Rule 8.08 of the Listing Rules. The Vendor will hold approximately 16.99% of the enlarged issued share capital of the Company and will become a substantial shareholder and a connected person of the Company upon Completion.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Company considers that the Proposed Acquisition represents a strategic opportunity for the Group to broaden its business scope and enhance its long-term competitiveness by expanding from automotive finance into the automotive aftersales service sector. The Group is principally engaged in (i) automobile retail and finance, under which the Group sells non-luxury automobiles primarily through direct finance lease arrangements; (ii) automobile-related businesses, under which the Group principally provides automobile operating lease services and other automobile-related services; and (iii) outright car sales business, under which the Group sells automobiles on a one-off basis. Through the Proposed Acquisition, the Group will obtain control of the Target Company and its principal operating subsidiary, Xinqite, a PRC-based automotive service chain principally engaged in automobile repair and maintenance and other related automotive services. The Proposed Acquisition will enable the Group to establish a platform combining automobile finance with downstream vehicle servicing, thereby extending its presence across a broader segment of the automotive value chain.

The Company believes that the integration of automobile finance and automotive servicing could facilitate the development of a more comprehensive automotive ecosystem covering vehicle acquisition, financing, usage, maintenance and eventual resale or replacement. Automotive aftersales services are generally characterised by recurring customer demand and relatively high service frequency, particularly in respect of maintenance and tyre replacement services. By entering into the independent automotive aftermarket through Xinqite's network of service outlets, the Group will be able to diversify its revenue streams. The Board considers that such diversification may enhance the resilience of the Group's overall business model and provide additional sources of recurring revenue derived from end-user customers.

In addition, the Proposed Acquisition would create cross-selling opportunities. Xinqite serves a base of passenger vehicle owners across multiple cities in the PRC, with regular customer visits driven by maintenance and servicing needs. The Company considers that such customer access may provide the Group with additional touchpoints through which automobile financing products, instalment payment arrangements and other automotive-related financial services may be introduced. The integration of service and financing offerings may improve customer acquisition efficiency, strengthen customer retention and enhance overall customer lifetime value. Furthermore, vehicle servicing data may assist the Group in refining its credit assessment, asset monitoring and residual value management processes in respect of financed vehicles, thereby potentially strengthening the Group's risk management capabilities.

The Directors (including the independent non-executive Directors), having considered the terms of the Sale and Purchase Agreement and the potential strategic benefits of the Proposed Acquisition, are of the view that the terms of the Sale and Purchase Agreement and the Proposed Acquisition are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. In particular, the Board has considered the Consideration, which is based on the valuation prepared by the Independent Valuer, having taken into account the methodology and comparable companies (based on their businesses and operations) to be fair and reasonable. The Directors have also considered the difference between the purchase price of the Vendor under the Vendor SPA and the Consideration, taking into account, inter alia, the waiver of the Xinqite Shareholders Loans, the provision of the Profit Guarantees, the obligations of the Vendor and Mr. He under the Sale and Purchase Agreement. Accordingly, the Board considered the Consideration adjustment mechanism, the Profit Guarantees and the indemnities provided by the Vendor to be fair and reasonable, and in the interests of the Company and Shareholders as a whole.

FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

The Company has conducted the following equity fund-raising activities in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
13 May 2026; 19 May 2026	Placing of existing shares and top-up subscription of new shares under general mandate	Approximately HK$126 million	The entire net proceeds will be used by the Group for the further procurement of motor vehicles in connection with, and for the purposes of, the principal businesses of the Group.	Approximately HK$30.3 million has been used for the procurement of motor vehicles, with approximately HK$95.8 million remaining unutilised, which is also expected to be applied towards the procurement of motor vehicles.
13 April 2026; 21 April 2026;	Placing of existing shares and top-up subscription of new shares under general mandate	Approximately HK$150.7 million	(i) approximately HK$75 million, or 50%, for the acquisition of motor vehicles in connection with, and for the purposes of, the principal businesses of the Group; and	Approximately HK$75.3 million has been used for the procurement of motor vehicles and approximately HK$51.9 million has been used for the Group's general working capital.
			(ii) approximately HK$75 million, or 50%, to supplement the general working capital of the Group's operating subsidiaries for general corporate purposes.	Approximately HK$23.5 million remains unutilized, which is expected to be used to support the Group's general working capital.

Save as disclosed above, the Company has not conducted any other fund-raising activities involving the issue of equity securities during the 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Acquisition are more than 5% but are all less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM. Accordingly, the allotment and issue of the Consideration Shares is conditional upon the Shareholders approving the Specific Mandate.

Based on the information presently available to the Company and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and Mr. He are Independent Third Parties. Accordingly, the Proposed Acquisition does not constitute a connected transaction under Chapter 14A of the Listing Rules. Upon Completion, the Vendor will hold approximately 16.99% of the enlarged issued share capital of the Company and will become a substantial shareholder and a connected person of the Company.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened and held to consider and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate for the allotment and issue of the Consideration Shares.

Any Shareholders or their respective associates with a material interest in the Proposed Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder shall abstain from voting at the EGM. To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, no Shareholder is required to abstain from voting at the EGM.

The Circular containing, among others, (i) further details of the Sale and Purchase Agreement, the Proposed Acquisition and the issue of the Consideration Shares; (ii) details of the Specific Mandate; (iii) a notice of the EGM; and (iv) other information as required under the Listing Rules, will be despatched to the Shareholders in due course.

If additional time is required to prepare or finalise the information for inclusion in the Circular, the Company will make a further announcement in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions as set out in the Sale and Purchase Agreement. Therefore, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"2026 Guarantee Period"	the financial year starting on the Completion Date and ending on 31 December 2026;
"2027 Guarantee Period"	the financial year starting on 1 January 2027 and ending on 31 December 2027;
"Actual Net Profit"	the audited consolidated net profit (excluding non-recurring gains and losses) of the Target Group for the relevant Guarantee Period, assuming the Xinqite Shareholders Loans have been waived and no related interest expenses are incurred in 2026 and 2027, as determined by the Company's auditors;
"Base Date"	30 June 2026, being the valuation reference date specified in the Sale and Purchase Agreement;
"Board"	the board of Directors;
"Business Day"	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a "black" rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for business in Hong Kong;
"Circular"	the circular to be despatched to the Shareholders in due course;
"Company"	XXF Group Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
"Compensation"	the amount payable by the Vendor and Mr. He, in accordance with the Sale and Purchase Agreement, to the Company in the event that the Actual Net Profit of the Target Group falls short of the relevant Guarantee Profit;
"Completion"	the completion of the sale and purchase of the Sale Share in accordance with the terms of the Sale and Purchase Agreement;

"Completion Date"	the date of the Completion, being the fifth (5^{th}) Business Day immediately following the day of fulfilment (or waiver, as applicable) of all the Conditions or on such other date as the Company and the Vendor may agree in writing;
"Conditions"	the conditions precedent required for the completion of the Sale and Purchase Agreement as set out in the section headed "Conditions Precedent" in this announcement;
"connected persons"	has the same meaning ascribed to it under the Listing Rules;
"Consideration"	HK$149,986,000, being the consideration payable by the Company for the Sale Share;
"Consideration Shares"	380,000,000 new Shares to be allotted and issued by the Company to the Vendor at the Issue Price in satisfaction of the Consideration;
"Director(s)"	the director(s) of the Company;
"EGM"	extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate;
"Group"	the Company and its subsidiaries;
"Guarantee Period"	2026 Guarantee Period and 2027 Guarantee Period;
"Guaranteed Profit"	the minimum Actual Net Profit guaranteed by the Vendor and Mr. He for the relevant Guarantee Period;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules

"Independent Valuer"	Masterpiece Valuation Advisory Limited;
"Issue Price"	HK$0.3947 per Consideration Share;
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time;
"Long Stop Date"	30 September 2026, or such other date as the parties to the Sale and Purchase Agreement may agree in writing;
"Material Adverse Effect"	means material adverse change or effect on the Target Group's overall business, assets, financial condition, operating results or prospects that has caused or could reasonably be expected to cause an impact exceeding RMB1 million, but excludes changes resulting from: (a) general changes in economic, political or market conditions (including but not limited to changes in interest rate, foreign exchange rate, commodity price and stock market index) unless the effect on the Target Group is disproportionately serious; (b) general changes in the industry in which the Target Group operates (including but not limited to demand fluctuation of the automobile aftermarket industry and uniform policy changes) unless such changes disproportionately and severely affect the Target Group; or (c) matters that have been disclosed in writing to the Company on the date of this Agreement;
"Mr. He"	何成圳, the sole shareholder and ultimate beneficial owner of the Vendor;
"Net Profit"	audited consolidated net profit (excluding non-recurring gains and losses);
"NTS"	NTS Automobile Service Group Limited (Business Registration Number: 62503202), a limited liability company incorporated under the laws of Hong Kong;
"PAG"	PAG NTS Limited (Company Number: 1843557), a limited liability company incorporated under the laws of British Virgin Islands;
"PAGAC Relay"	PAGAC Relay Holding I Limited (BVI company number: 1723399), a limited liability company incorporated under the laws of the British Virgin Islands, being the seller under the Vendor SPA;
"PRC"	the People's Republic of China (other than Hong Kong, the Macau Special Administrative Region and Taiwan for the purposes of this announcement);

"Proposed Acquisition"	the proposed acquisition of the Sale Share by the Company subject to and upon the terms and conditions of the Sale and Purchase Agreement;
"RMB"	Renminbi, the lawful currency of the PRC;
"Sale and Purchase Agreement"	the sale and purchase agreement entered into between the Company, the Vendor, the Target Company and Mr. He on 4 August 2026, as amended, modified or supplemented from time to time;
"Sale Share"	1 share, representing the entire issued share capital of the Target Company, which is legally and beneficially owned by the Vendor;
"Shanghai Yiru"	上海易茹企業諮詢合夥企業(有限合夥), a limited partnership established in the PRC, being the holder of 10% of the registered capital of Xinqite, which has undertaken to cooperate with Xinqite in completing the capital reduction for its unpaid registered capital;
"Share(s)"	ordinary share(s) of nominal value of one-third Hong Kong cent (approximately HK$0.003333333333) each in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s) from time to time;
"Specific Mandate"	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Shareholders who are entitled to vote and not required to abstain from voting under the Listing Rules at the EGM to satisfy the allotment and issue of the Consideration Shares upon Completion;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	PAGAC NTS Limited (Company No. 1843557), a limited liability company incorporated under the laws of the British Virgin Islands;
"Target Group"	the Target Company, NTS, Xinqite and its subsidiaries;
"Vendor"	Jiary Development (Hong Kong) Limited (Business Registration Number: 80778934), a limited liability company incorporated under the laws of Hong Kong;
"Vendor SPA"	the share purchase agreement dated 15 July 2026 entered into between the Vendor and PAGAC Relay in relation to the Vendor's acquisition of the entire issued share capital of the Target Company;

"Xinqite"	新奇特車業服務股份有限公司(Unified Social Credit Code: 913100007293870945), a limited liability company incorporated under the laws of the People's Republic of China;
"Xinqite Group"	Xinqite and its subsidiaries;
"Xinqite Shareholders Loans"	the outstanding related-party loans owed by Xinqite to (i) 上海鳴潤商務諮詢有限公司 (principal and accrued interest of approximately RMB166.53 million as at 30 June 2026); and (ii) 南京易自助網絡科技有限公司 (principal and accrued interest of approximately RMB37.74 million as at 30 June 2026), in the aggregate amount of approximately RMB204.27 million as at 30 June 2026; and
"%"	per cent.

By Order of the Board
XXF Group Holdings Limited
Mr. HUANG Wei
Chairman of the Board, chief executive officer and executive Director

Hong Kong, 4 August 2026

As at the date of this announcement, the executive Directors are Mr. Huang Wei, Mr. Ye Fuwei and Ms. Zhang Jinghua, the non-executive Director is Mr. Liu Wei, and the independent non-executive Directors are Mr. Wu Fei, Mr. Fung Che Wai, Anthony and Mr. Chen Shuo.