TSUN YIP HOLDINGS LIMITED
進業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8356)

INSIDE INFORMATION
SETTLEMENT OF PROMISSORY NOTE

The announcement is made by Tsun Yip Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 and Rule 17.27 of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the annual report of the Company for the year ended 31 March 2026 (the "**Annual Report**").

SETTLEMENT OF PROMISSORY NOTE

Background

As set out in Note 27 to the consolidated financial statements of the Company for the year ended 31 March 2026 in the Annual Report, a promissory note (the "**Promissory Note**") with a principal amount of HK$45.04 million was issued by Profit Station Limited (the "**Issuer**"), a wholly-owned subsidiary of the Company on 11 August 2011 (the "**Issue Date**") upon the completion of the acquisition of 17% of equity interests in China New Media (HK) Company Limited with the original maturity date falling on 11 August 2014. For details, please refer to the announcement of the Company dated 28 July 2011. On 30 September 2014, the then holder of the Promissory Note had transferred its rights and interests under the Promissory Note to an independent third party (the "**Noteholder**"). Thereafter, the Issuer and the Noteholder had entered into extension agreements, pursuant to which the maturity date of the Promissory Note had been subsequently extended from time to time, with the latest maturity date falling on 30 June 2027.

As set out in the Annual Report, the book value of the Promissory Note amounted to approximately HK$44.2 million as at 31 March 2026. As at the date of this announcement, the outstanding sum under the Promissory Note amounted to approximately HK$52.1 million, which comprised the principal amount of HK$45.04 million and accrued interest of approximately HK$7.06 million.

Deed of Settlement

The board (the "**Board**") of directors (the "**Director(s)**") of the Company is pleased to announce that on 31 July 2026 (after trading hours of the Stock Exchange), the Issuer and the Noteholder entered into a deed of settlement (the "**Deed**"), pursuant to which the Issuer agreed to pay, and the Noteholder agreed to accept, a sum of HK$5.28 million (the "**Settlement Sum**") in full and final settlement (the "**Settlement**") of the outstanding amount owing under the Promissory Note and in full discharge of all obligations and liabilities of the Issuer thereunder. As at the date of this announcement, the Issuer had paid the settlement sum of HK$5.28 million in accordance with the Deed.

The Settlement Sum was mutually agreed between the Issuer and the Noteholder, taking into account the Group's financial position, the long-outstanding nature of the Promissory Note, the Noteholder's preference for an immediate cash recovery with certainty of repayment and the prevailing market conditions. The Board considers that the Settlement is fair, reasonable and in the interest of the Company and its shareholders as a whole.

As a result of the Settlement, the Promissory Note had been fully settled, and the Issuer has been fully released and discharged from all obligations and liabilities under the Promissory Note. The Group is expected to record a one-off gain on debt extinguishment (unaudited) amounting to approximately HK$38.92 million, representing the difference between the carrying book value of the Promissory Note of approximately HK$44.2 million as at 31 March 2026 and the settlement sum of HK$5.28 million. Upon completion of the Settlement, no further effective interest expense or other non-cash finance costs in respect of the Promissory Note will be recognised in the Group's consolidated statement of profit or loss in future financial periods.

Based on the consolidated statement of financial position of the Company as at 31 March 2026 as set out in the Annual Report, upon completion of the Settlement, the total liabilities of the Group are expected to decrease to approximately HK$128.3 million and the Group is expected to record a turn from net liabilities of approximately HK$31.6 million to net assets of approximately HK$7.3 million. The actual financial impact of the Settlement on the Group and the gain to be recorded under the Settlement shall be subject to final audit to be performed by the Company's auditors and may differ from the above estimates.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Tsun Yip Holdings Limited
Kan Kwok Cheung
Chairman and Executive Director

Hong Kong, 31 July 2026

As at the date of this announcement, the Directors are Mr. Kan Kwok Cheung[1] (Chairman), Mr. Hui Ka Tsun[1], Mr. Kan Chun Ting Max[1], Ms. Lam Shun Kiu Rosita[2], Mr. Chin Chi Ho Stanley[3], Mr. Wong Chung Yip Kenneth[3] and Mr. Lai Ah Ming Leon[3].

[1] *Executive Director*
[2] *Non-executive Director*
[3] *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting and the Company's website at http://www.tsunyip.hk.