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JIADING INTERNATIONAL GROUP HOLDINGS LIMITED

嘉鼎國際集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 08153)

DISCLOSEABLE TRANSACTION ACQUISITION OF ZIXING HEALTH TECHNOLOGY (SHENZHEN) CO. LTD.

On 15 August 2023, a wholly owned subsidiary of the Company entered into the Agreement with the Vendor for the acquisition of 51% equity interest in the Target at the consideration of RMB5.1 million to be paid upon completion.

As the highest percentage ratio under the GEM Listing Rules exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE AGREEMENT

Date: 15 August 2023

Parties:

1. 深圳市新嘉合投資有限公司 (Shenzhen Xinjiahe Investment Co. Ltd.*) as vendor;
2. 唯時(深圳) 新能源科技發展有限公司 (Weishi (Shenzhen) New Energy Technology Development Co. Ltd.*) as purchaser.

The Vendor is principally engaged in consultation, management and investment activities. To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

The Purchaser shall acquire 51% equity interest in the Target.

Consideration

The consideration is RMB5.1 million to be paid upon completion in the following manner:

- (a) as to RMB3 million in cash; and
- (b) as to RMB2.1 million by way of issuance of the Promissory Note by the Company to the Vendor.

Basis of consideration

The consideration of RMB5.1 million was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the net assets value of the Target as at 31 July 2023 of approximately RMB10.2 million and (ii) the business prospects of the Target set out in the section headed "REASONS FOR THE ACQUISITION" below.

The Directors consider that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Agreement shall be conditional upon:

- (a) There is no encumbrances and title defects on the subject equity interest from the date of signing of the Agreement until change of business registration to the Purchaser;
- (b) There is no material adverse changes to the Vendor and the Target after the signing of the Agreement save as disclosed;
- (c) There is no breach of the representations and warranties and the obligations of the Vendor under the Agreement;
- (d) The Agreement has not been determined by any government, administrative department, or institution to be incompatible with the laws and regulations or proved to be impracticable to implement;
- (e) The Purchaser has performed its internal decision-making procedures for the transaction;
- (f) The Purchaser has completed the due diligence on the Target and is satisfied with the results thereof;
- (g) The Vendor has obtained all necessary approvals and consents for the transaction, including but not limited to government or regulatory agencies, parties acting in concert, creditors' consent, etc.;
- (h) Other approvals, filings, registrations, consents or requirements (if any) of laws and regulations, regulatory authorities and any other third party for the transaction have been obtained, met or completed.

If the above conditions have not been satisfied (or waived by the Purchaser except for (d), (g) and (h)) on or before 14 October 2023, the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof.

Completion

The Vendor and the Purchaser shall jointly procure change of business registration of the Target within 5 business days after all the conditions precedent of the Agreement are satisfied, or such other date as the Vendor and the Purchaser may agree.

After Completion, the Target shall be accounted for as a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the Group.

Promissory Note

The principal terms of the Promissory Note are as follows:

Issuer:	The Company
Principal amount:	HK\$2.1 million
Interest:	10% per annum commencing from the date of issue until full repayment.
Maturity:	On the first anniversary of the date of issue of the Promissory Note.
Early repayment:	The Company may early repay all or part of the outstanding amount without penalty by giving not less than 3 days' notice to the noteholder.
Transferability:	The holder of the Promissory Note may freely transfer the Promissory Note.

INFORMATION ON THE TARGET

The Target is a company incorporated under the laws of the PRC on 21 March 2023 and is principally engaged in the research, manufacture and sales of health products in the PRC.

Set out below is the financial information of the Target extracted from the unaudited financial statements of the Target for the period from 21 March 2023 (date of incorporation) to 31 July 2023:

	For the period from date of incorporation to 31 July 2023 (RMB)
Profit before taxation	115,727
Profit after taxation	115,727

The net assets of the Target as at 31 July 2023 was approximately RMB10.2 million.

REASONS FOR THE ACQUISITION

The Group is principally engaged in advertising, sales of new energy vehicle and sales of new energy battery.

The Target is principally engaged in the research, manufacture and sales of health products incorporating the use of small molecule oligopeptides, graphene and far infrared light waves technologies. Its products include small molecule peptides health supplements and graphene far infrared sauna room.

The Board has been actively looking for business opportunities to improve the Group's performance and to enhance Shareholders' return. The Board considers that the Acquisition represents a good opportunity to tap into the fast-growing healthcare products industry in the PRC.

The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest percentage ratio under the GEM Listing Rules exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the acquisition of 51% equity interest in the Target pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 15 August 2023 made between the Vendor and the Purchaser relating to the sale and purchase of 51% equity interest in the Target
“Board”	the Board of directors of the Company
“business day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Jiading International Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“Completion”	completion of the transactions under the Agreement pursuant to the terms thereof
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and its connected persons
“PRC”	The People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of HK\$2.1 million, to be issued by the Company in favour of the Vendor to satisfy part of the consideration under the Agreement

“Purchaser”	唯時 (深圳) 新能源科技發展有限公司 (Weishi (Shenzhen) New Energy Technology Development Co. Ltd.*), an indirect wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the GEM Listing Rules
“Target”	紫星健康科技 (深圳) 有限公司 (Zixing Health Technology (Shenzhen) Co. Ltd.*), a company incorporated in the PRC
“Vendor”	深圳市新嘉合投資有限公司 (Shenzhen Xinjiahe Investment Co. Ltd.*), a company incorporated in the PRC

By order of the Board
Jiading International Group Holdings Limited
Mou Zhongwei
Chairman

Hong Kong, 15 August 2023

As of the date of this announcement, the executive Directors are Mr. Mou Zhongwei, Ms. Liu Ching Man and Mr. Li Guangying; the non-executive Directors are Ms. Wang Dongmei and Ms. Liu Ying; and the independent non-executive Directors are Mr. Luo Ji, Mr. Lui Chi Kin and Mr. Shin Ho Chuen.

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 GEM of the 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 of the website of the Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.jiadingint.com.

* For identification purpose only