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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 TRANSACTIONS
GRANTING OF LOANS
AND
SUPPLEMENTAL INFORMATION TO 2024 ANNUAL REPORT**

LOAN A

On 3 February 2021, Farnova Automobile, a subsidiary of the Company, entered into Loan Agreement A with Borrower A pursuant to which Farnova Automobile agreed to grant Loan A in the principal amount of RMB2,000,000 (equivalent to HK\$2,281,180) to Borrower A.

LOAN B

On 14 July 2021, Farnova Automobile, a subsidiary of the Company, entered into Loan Agreement B with Borrower B pursuant to which Farnova Automobile agreed to grant Loan B in the principal amount of RMB5,000,000 (equivalent to HK\$5,577,485) to Borrower B.

LOAN C

On 26 October 2022, the Company entered into Loan Agreement C with Borrower C pursuant to which the Company agreed to grant Loan C in the principal amount of HK\$13,050,000 to Borrower C.

LOAN D

On 4 July 2023, the Company entered into Loan Agreement D with Borrower C pursuant to which the Company agreed to grant Loan D in the principal amount of HK\$6,256,655 to Borrower C.

GEM LISTING RULES IMPLICATION

As the highest applicable percentage ratios in respect of each of Loan A, Loan B and Loan C exceeded 5% but was less than 25%, each of Loan A, Loan B and Loan C constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

As Loan D was granted to Borrower C within 12 months after Loan C, Loan D should be aggregated with Loan C pursuant to Rule 19.22 of the GEM Listing Rules. As the highest applicable percentage ratios in respect of Loan C and Loan D on an aggregate basis exceeded 5% but was less than 25%, Loan C and Loan D in aggregate constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

As the assets ratios in respect of each of Loan A and Loan C exceeded 8%, each of Loan A and Loan C was subject to the announcement requirements under Rule 17.15 and 17.17 of the GEM Listing Rule.

LOAN AGREEMENT A

Date: 3 February 2021

Parties:

1. 法諾汽車(常德)製造有限公司 (Farnova Automobile (Changde) Manufacturing Ltd.*) as lender;
2. 深圳市中港創富投資發展有限公司 (Shenzhen Zhonggang Chuangfu Investment Development Co. Ltd.*) as borrower.

Borrower A was principally engaged in investment industry, domestic trade, and engage in import and export of goods and technology. The ultimate beneficial owner of Borrower A was 王永魁 Wang Yongkui. Borrower A was a cooperation partner of the Group's new energy vehicle business project. Save as aforesaid, to the best of the Directors' information and belief, Borrower A and its ultimate beneficial owner were Independent Third Parties and has no other relationship with the Group and its connected persons or their respective associates.

Amount of Loan A

RMB2,000,000 (equivalent to HK\$2,281,180)

Interest

No interest was charged on Loan A.

Repayment

Borrower A shall repay Loan A within 1 year from the date of grant.

Reasons for Loan Agreement A

Borrower A was a cooperation partner of the Group's new energy vehicle business project. Loan A was made at the request of Borrower A. Since Borrower A was a cooperation partner of the Group, the granting of Loan A would help to maintain long term business relations with them which was beneficial to the Group. Loan A was unsecured and has no guarantee. The terms of Loan Agreement A were determined after arm's length negotiations between Farnova Automobile and Borrower A. The Board considered that the terms of Loan Agreement A were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules implications

As the highest applicable percentage ratio in respect of Loan A exceeded 5% but was less than 25%, Loan Agreement A constituted a discloseable transaction of the Company and were subject to the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

As the assets ratios in respect of Loan A exceeded 8%, Loan A was subject to the announcement requirements under Rule 17.15 and 17.17 of the GEM Listing Rule.

LOAN AGREEMENT B

Date: 14 July 2021

Parties:

1. 法諾汽車(常德)製造有限公司 (Farnova Automobile (Changde) Manufacturing Ltd.*) as lender;
2. 廣西華奧汽車製造有限公司 (Guangxi Huaao Automobiles Manufacturing Co. Ltd.*) as borrower.

Borrower B was principally engaged in sales and manufacturing of new energy vehicles and auto parts and accessories. The ultimate beneficial owner of Borrower B was 陳立學 Chen Lixue. Borrower B was a cooperation partner of the Group's new energy vehicle business project. Save as aforesaid, to the best of the Directors' information and belief, Borrower B and its ultimate beneficial owner were Independent Third Parties and has no other relationship with the Group and its connected persons or their respective associates.

Amount of Loan B

RMB5,000,000 (equivalent to HK\$5,577,485)

Interest

No interest was charged on Loan B.

Repayment

Borrower B shall repay Loan B within 1 year from the date of grant.

Reasons for Loan Agreement B

Borrower B was a cooperation partner of the Group's new energy vehicle business project. Loan B was made at the request of Borrower B. Since Borrower B was a cooperation partner of the Group, the granting of Loan B would help to maintain long term business relations with them which was beneficial to the Group. Loan B was unsecured and has no guarantee. The terms of Loan Agreement B were determined after arm's length negotiations between Farnova Automobile and Borrower B. The Board considered that the terms of Loan Agreement B were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules implications

As the highest applicable percentage ratio in respect of Loan B exceeded 5% but was less than 25%, Loan Agreement B constituted a discloseable transaction of the Company and were subject to the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

LOAN AGREEMENT C

Date: 26 October 2022

Parties:

1. the Company as lender;
2. Bliss Tone Limited as borrower.

Borrower C was principally engaged in advertising and marketing business. The ultimate beneficial owner of Borrower C was Wu Yong. Borrower C was a supplier of the Group's advertising business. Save as aforesaid, to the best of the Directors' information and belief, Borrower C and its ultimate beneficial owner were Independent Third Parties.

Amount of Loan C

HK\$13,050,000

Interest

Interest on Loan C accrued at the rate of 6% per annum.

Repayment

Borrower C shall repay Loan C within 1 year from the date of grant.

Reasons for Loan Agreement C

Borrower C was a supplier of the Group's advertising business. Loan C was made at the request of Borrower C. Since Borrower C was a supplier of the Group, the granting of Loan C would help to maintain long term business relations with them which was beneficial to the Group. The terms of Loan Agreement C were determined after arm's length negotiations between the Company and Borrower C. The Board considered that the terms of Loan Agreement C were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules implications

As the highest applicable percentage ratio in respect of Loan C exceeded 5% but was less than 25%, Loan Agreement C constituted a discloseable transaction of the Company and were subject to the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

As the assets ratios in respect of Loan C exceeded 8%, Loan C was subject to the announcement requirements under Rule 17.15 and 17.17 of the GEM Listing Rule.

LOAN AGREEMENT D

Date: 4 July 2023

Parties:

1. the Company as lender;
2. Bliss Tone Limited as borrower.

Borrower C was principally engaged in advertising and marketing business. The ultimate beneficial owner of Borrower C was Wu Yong. Borrower C was a supplier of the Group's advertising business. Save as aforesaid, to the best of the Directors' information and belief, Borrower C and its ultimate beneficial owners were Independent Third Parties.

Amount of Loan D

HK\$6,256,655

Interest

Interest on Loan D accrued at the rate of 6% per annum.

Repayment

Borrower C shall repay Loan D within 1 year from the date of grant.

Reasons for Loan Agreement D

Borrower C was a supplier of the Group's advertising business. Loan D was made at the request of Borrower C. Since Borrower C was a supplier of the Group, the granting of Loan D would help to maintain long term business relations with them which was beneficial to the Group. The terms of Loan Agreement D were determined after arm's length negotiations between the Company and Borrower C. The Board considered that the terms of Loan Agreement D were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules implications

As Loan D was granted to Borrower C within 12 months after Loan C, Loan D should be aggregated with Loan C pursuant to Rule 19.22 of the GEM Listing Rules. As the highest applicable percentage ratios in respect of Loan C and Loan D on an aggregate basis exceeded 5% but was less than 25%, Loan C and Loan D in aggregate constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

NON-COMPLIANCE WITH GEM LISTING RULES

In respect of each of Loan A, Loan B, Loan C and Loan D, the Company has failed to timely comply with the reporting and announcement requirements under Rule 19.33 to 19.34 of the GEM Listing Rules.

In respect of each of Loan A, Loan C and Loan D, the Company has failed to timely comply with the announcement requirements under Rule 17.15 and 17.17 of the GEM Listing Rule.

Borrower A and Borrower B were cooperation partners of the Group's new energy vehicle business projects. The officer in charge of making the loans was Mr. Guo Gelin, a former director of the Company. Due to the COVID lockdown in China at the time of making of Loan A and Loan B, the implementation of the Group's internal control systems was seriously weakened. Due to oversight of the responsible officer of Loan A and Loan B, the loans were not reported to the board or alerted to the finance department of the Company prior to their making. As a result the Company failed to timely comply with the reporting and announcement requirements regarding Loan A and Loan B pursuant to Rule 19.33 to 19.34 of the GEM Listing Rules.

After Mr. Guo Gelin left the Group in 2022, the Company issued demand letters to the Borrower A and Borrower B and communicated with them for recovery but no response was received. In addition, the Group no longer had any business relations with Borrower A and Borrower B after Mr. Guo Gelin's departure. The Board therefore determined that Loan A and Loan B should be impaired according to the Group's impairment policy. Subsequently, the Board decided to cease the operation of the relevant subsidiary and the whole business segment including Farnova Automobile was disposed of in July 2023 and was no longer part of the Group since then. Please refer to the Company's announcement dated 7 July 2023 relating to the sale of the subsidiary group including Farnova Automobile which constituted a discloseable transaction of the Company. Mr. Guo Gelin ceased to be a director of the Company from September 2022.

Borrower C was a supplier of the Group's advertising business. The officer in charge of making Loan C was Mr. Li Guangying, a former director of the Company. Due to the ongoing restriction measures for COVID in Hong Kong and Mainland China at the time of making of loan C, the implementation of the Group's internal control systems was seriously weakened. Due to oversight of the responsible officer of Loan C, it was not reported to the board or alerted to the finance department of the Company prior to its making. As a result the Company failed to timely comply with the reporting and announcement requirements regarding Loan C pursuant to Rule 19.33 to 19.34 of the GEM Listing Rules.

Loan C was fully repaid on 26 June 2023. Mr. Li Guangying ceased to be a director of the Company from August 2024.

As Loan D was granted to Borrower C after Loan C was fully repaid, the Company mistakenly believe that it was not required to aggregate Loan C and Loan under Rule 19.22 of the GEM Listing Rules. As a result the Company failed to timely comply with the reporting and announcement requirements regarding Loan C and Loan D on an aggregate basis pursuant to Rule 19.33 to 19.34 of the GEM Listing Rules.

Loan D was fully repaid in May 2024.

After Mr Guo Gelin left the Group, and after the COVID lockdown measures were removed, in view of the weaknesses in implementing the internal control systems and in order to prevent re-occurrence of similar non-compliances in the future, the Company has strengthened the implementation and effectiveness of its internal control systems since 2023 as follows:

- (i) the company secretary of the Company would be providing regular trainings on compliance including the requirements under Chapter 19 GEM Listing Rules at least annually to the staff of the finance department and business managers of the Group's businesses in Hong Kong and the Mainland who would be involved in granting of loans by the Group to ensure that internal control procedures and policies are followed strictly;
- (ii) executive directors and other senior management of the Company who oversaw the Group's Mainland operation would station in the Mainland and closely monitored the operations in the Mainland;
- (iii) Improving the reporting channels by subsidiaries to the Company by way of implementing policies to require finance staff and business managers of subsidiaries to promptly report to the financial controller or company secretary of the Company on non-daily operation contracts and transactions to ensure matters and affairs of the subsidiaries are timely reported to the management of the Company;
- (iv) Requiring dual authorisation by two directors from the Company for payments over RMB1,000,000 by the Group (including subsidiaries) to ensure more stringent supervision of payments by subsidiaries and to avoid concentration of power on any one director;
- (v) issuing written policies to directors and senior management of the Group on proper record keeping requiring filing of non-daily operational contracts and transaction records with the financial controller and company secretary of the Company and involvement of at least one director and another director or the company secretary or financial controller of the Company in handling non-daily operational contracts and transactions.

In addition, in order to strengthen the internal control systems on granting of loans to and receiving of loans from third parties, the Company would adopt the following procedures and policies:

- (a) all loans to third parties exceeding RMB1,000,000 should be approved by two directors or by one director and the company secretary to ensure that the terms of the loans are on normal commercial terms and fair and reasonable and in the interest of the Group;
- (b) credit assessment on the borrowers including its financial condition, the value of any collateral and their relationships with the Group should be conducted to manage credit risks of the loans and the commercial benefits to the Group;

- (c) the financial controller of the Company shall monitor closely and at least quarterly the repayment status of the loans and report promptly to the directors on any defaults;
- (d) directors should take prompt actions regarding defaulted loans including issuing demand letters and legal proceedings where necessary;
- (e) all loans to and from third parties should be properly documented and relevant documents filed with the finance department and the company secretary of the Company.

SUPPLEMENTAL INFORMATION TO 2024 ANNUAL REPORT

Reference is made to the annual report for the year ended 31 March 2024 (the “**Annual Report**”) of the Company. The Board would like to provide the following additional information relating to the Annual Report.

Use of Proceeds

On page 20 of the Annual Report, the following information should be added:

As at 31 March 2024, the utilization of the net proceeds of approximately HK\$48.5 million from the rights issue conducted in February 2023 is set out below:

Intended use	Allocation <i>HK\$'000</i>	Utilization as at 31 March 2023 <i>HK\$'000</i>	Utilization as at 31 March 2024 <i>HK\$'000</i>	Remaining Balance <i>HK\$'000</i>
Repayment of Debts	23,000	14,200	8,800	0
Expansion and R&D of New Energy Batteries Business	20,000	15,000	5,000	0
General Working Capital	5,500	5,000	500	0
Total:	<u>48,500</u>	<u>34,200</u>	<u>14,300</u>	<u>0</u>

As at 31 March 2024, all proceeds from the rights issue were fully utilized according to the intentions previously disclosed in the Company’s announcement dated 13 February 2023.

DEFINITIONS

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

“Board”	the Board of directors of the Company
“Borrower A”	深圳市中港創富投資發展有限公司 (Shenzhen Zhonggang Chuangfu Investment Development Co. Ltd.*), a company incorporated in the PRC
“Borrower B”	廣西華奧汽車製造有限公司 (Guangxi Huao Automobiles Manufacturing Co. Ltd.*), a company incorporated in the PRC
“Borrower C”	Bliss Tone Limited, a company incorporated in the British Virgin Islands
“Company”	Jiading International Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“Farnova Automobile”	法諾汽車(常德)製造有限公司 (Farnova Automobile (Changde) Manufacturing Ltd.*), a company incorporated in the PRC and was a subsidiary 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

“Loan A”	the loan in the principal sum of RMB2,000,000 (equivalent to HK\$2,281,180) pursuant to Loan Agreement A
“Loan B”	the loan in the principal sum of RMB5,000,000 (equivalent to HK\$5,577,485) pursuant to Loan Agreement B
“Loan C”	the loan in the principal sum of HK\$13,050,000 pursuant to Loan Agreement C
“Loan D”	the loan in the principal sum of HK\$6,256,655 pursuant to Loan Agreement D
“Loan Agreement A”	the loan agreement dated 3 February 2021 made between Farnova Automobile and Borrower A relating to Loan A
“Loan Agreement B”	the loan agreement dated 14 July 2021 made between Farnova Automobile and Borrower B relating to Loan B
“Loan Agreement C”	the loan agreement dated 26 October 2022 made between the Company and Borrower C relating to Loan C
“Loan Agreement D”	the loan agreement dated 4 July 2023 made between the Company and Borrower C relating to Loan D
“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *for identification purpose only*

By order of the Board
Jiading International Group Holdings Limited
Chan Tat Lin
Executive Director

Hong Kong, 2 May 2025

As of the date of this announcement, the executive Director is Mr. Mou Zhongwei and Mr. Chan Tat Lin; and the independent non-executive Directors are Mr. Lui Chi Kin, Mr. Shin Ho Chuen and Ms. Li Hiu Wah.

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 on 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.