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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)**

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

Reference is made to the Company's announcement dated 15 August 2023 (the "**Announcement**") relating to the Acquisition. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board would like to provide the following additional information regarding the Acquisition.

#### INFORMATION ON THE VENDOR

The beneficial owners of the Vendor are Wei Bin (魏斌) (51%) and Duan Jianping (段建平) (49%).

#### REASONS FOR THE ACQUISITION

When China put forward its *Healthy China Initiative 2019-2030* in 2019, it said that China would actively promote healthy lifestyles, minimise diseases and lengthen life expectancy throughout the country. Data from the *Intelligence Research Group* indicates that health food sales in mainland China grew by 8.2% in 2021 to RMB270.8 billion. The market is projected to be worth RMB328.3 billion by 2023. China's health food market in 2021 was the second largest worldwide after the US. The long term outlook is positive with sales expected to grow by 6% annually during 2021-2025.

According to mainland consulting firm *Askci*, the most common products are those which claim to boost the immunity. Other common products are vitamins, anti-fatigue health food, calcium supplements and health food that lowers blood lipids, lowers blood sugar or induces sleep.

As society in China ages, health food for seniors will become more important. Government statistics show that the number of people aged 65 or above reached 200 million in 2021, or 14.2% of the total population. In the mainland, the number of over-65s is expected to reach 25% of the population by 2030. The average life expectancy in China is 77.3 years at present, and is expected to rise to 81.9 years by 2040.

The Target currently focuses on the supply of its principal products, namely graphene far-infrared light wave energy rooms (“**Energy Rooms**”) and ginseng peptide solid drinks and soybean protein peptide tablets (“**Peptide Supplements**”), to distributors and providers of healthcare services in China.

Energy Rooms are specially designed enclosed cubicles for the personal use of one person, making use of the far-infrared heating properties of graphene. Comparing with traditional sauna/steam rooms, the advantages of graphene-based Energy Rooms include low costs, low energy consumption, quick warming, balanced all round temperature radiation and providing personalised waterless steam experience and heat therapy.

Peptide Supplements contain peptides which are the complexes in between amino acids and proteins. It is believed that the intake of supplements containing peptides are beneficial to the body in various ways.

The Company will retain and rely on the existing management team of the Target for the daily operation of this new business segment. The senior management team of the Target consists of experienced and seasoned managers and operators with years of experience in the sales and marketing of healthcare products in China. The Energy Rooms and Peptide Supplements were sourced from reliable and reputable suppliers in China. The major target customers of the Target are distributors and providers of healthcare services such as commercial spa and sauna facilities and related services providers.

As at the date of the Agreement, the Target has secured legally binding contracts for the sale of Energy Rooms and Peptide Supplements of approximately RMB26 million for the coming year. It is expected that the gross profit margin for the Target’s business will be around 25%. Based on the secured contracts and prospective orders, it is expected that the Target will record a net profit for the year ended 31 December 2023. The Company aims to continue to expand the customer base of the Target by leveraging on the extensive business connections and experience of the Target in the healthcare industry and of the Group in its principal businesses in China.

In view of the above, the Board consider that the Acquisition is fair and reasonable and in the interests of the Company and Shareholders as a whole.

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

Hong Kong, 22 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.*

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