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Huasheng International Holding Limited

華盛國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1323)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY**

Reference is made to the announcement (the “**Announcement**”) of Huasheng International Holding Limited dated 9 January 2023. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

This announcement is made to provide supplemental information in relation to the Acquisition.

Financial information of the PRC Subsidiary

Set out below is the financial information of the PRC Subsidiary, the major operating subsidiary of the Wisdom Group, for the year ended 31 December 2021 and for the 10 months ended 31 October 2022:

	Year ended 31 December 2021 <i>RMB'000</i> (audited)	10 months ended 31 October 2022 <i>RMB'000</i> (unaudited)
Loss before income tax	70,436	55,531
Loss after income tax	70,436	55,531

Based on the unaudited consolidated management accounts of the PRC Subsidiary and the unaudited management accounts of other members of the Wisdom Group (other than the PRC Subsidiary and its subsidiaries), (i) the consolidated net asset value of the PRC Subsidiary was approximately RMB178,542,000 (equivalent to approximately HK\$205,323,000) as at 31 October 2022; (ii) the aggregate net asset value of other members of the Wisdom Group (other than the PRC Subsidiary and its subsidiaries) without taking into account of intragroup balances and investment in intragroup subsidiaries was approximately HK\$24,376,000 as at 31 October 2022; and (iii) other members of the Wisdom Group (other than the PRC Subsidiary and its subsidiaries) were incorporated after 1 January 2022 and recorded insignificant revenue and expenses for the 10 months ended 31 October 2022 except for operating expenses of approximately HK\$3 million.

Methodology and Assumption of the Preliminary Valuation

In determining the Valuation, the Valuer has taken into account the estimated revenue of the Wisdom Group for the year ending 31 December 2023 which was based on the sales orders of the Wisdom Group for 2023 (approximately half of which are confirmed orders as at the date of this announcement).

Based on the designed annual production capacity of the Wisdom Group of 1,000 standard units of vehicles as at 31 December 2022 as provided by the Wisdom Group, the Wisdom Group has sufficient production capacity to fulfill the confirmed orders and the expected new orders as set out above.

The Board also wishes to clarify that in the Valuation, the Forward P/S Ratio was determined by the Valuer with reference to the median of 7 (instead of 6) comparable companies. All these 7 comparable companies are listed on overseas securities market and with geographic market ranging from North America, Europe, and worldwide.

Save as disclosed above, all other information and content as set out in the Announcement remain unchanged.

For ease of reference and unless otherwise specified in this announcement, sums in RMB in this announcement have been translated, for the purpose of illustration only, into HK\$ at the basis of RMB1.0 = HK\$1.15.

This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

By Order of the Board
Huasheng International Holding Limited
Wong Jeffrey
Executive Director

Hong Kong, 2 February 2023

As at the date of this announcement, the executive Directors are Mr. Wong Wai Sing, Mr. Chan Kin Lung and Mr. Wong Jeffrey; and the independent non-executive Directors are Mr. Kwok Kam Tim, Mr. Tso Ping Cheong, Brian and Mr. Li Kwok Tai, James.