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Jia Yao Holdings Limited

嘉耀控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01626)

SUPPLEMENTAL ANNOUNCEMENT

THE DISCLOSEABLE TRANSACTION DISPOSAL OF 30% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

Reference is made to the announcement of the Company dated 22 December 2023 and in relation to the Disposal of 30% of the issued share capital of the Target Company. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

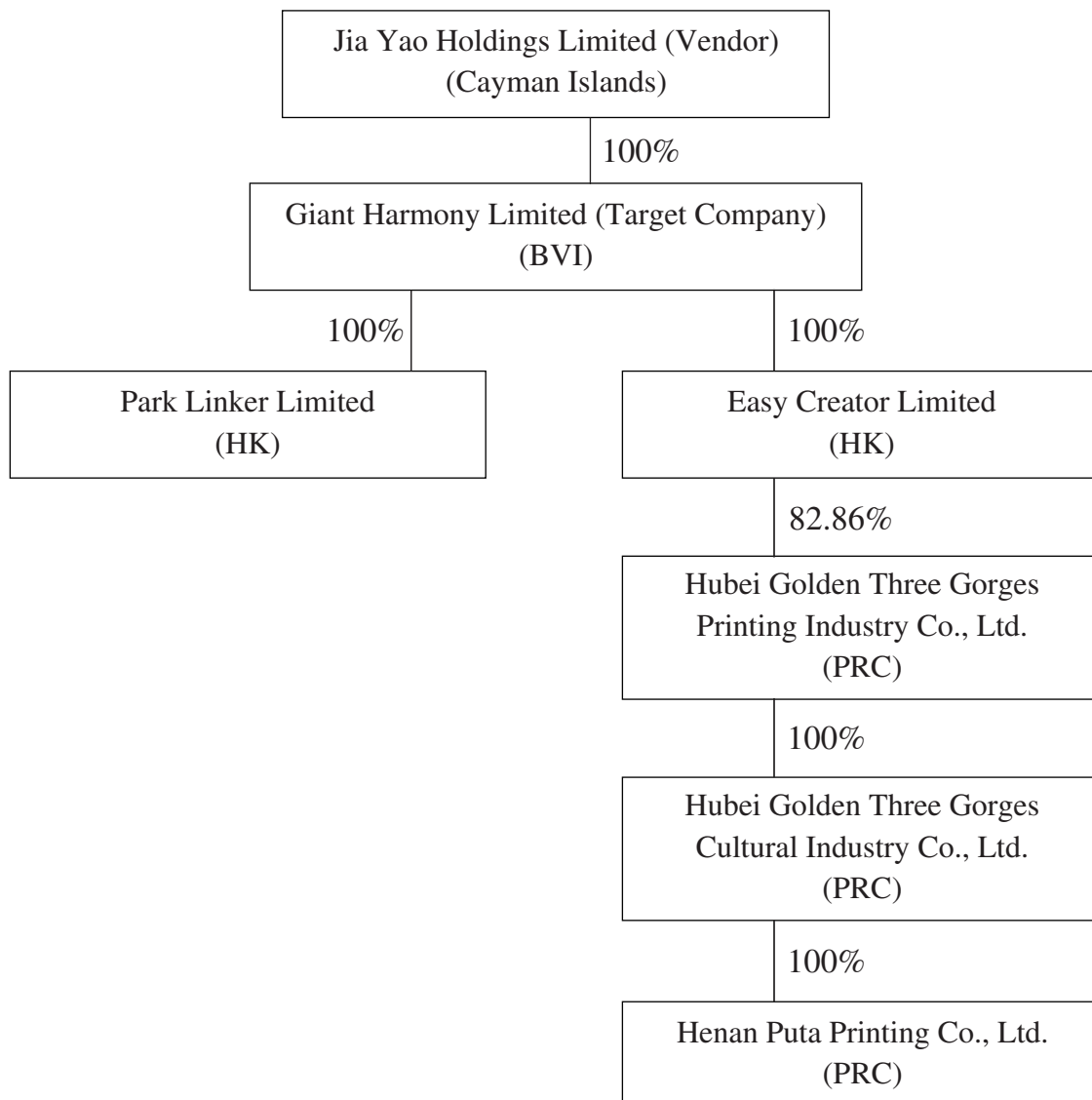
The Directors would like to provide the following supplemental information on (i) how the Consideration was determined; (ii) the shareholding structure of the Target Group before and after the Disposal; and (iii) the principal business activities carried on by the Target Company and each of its subsidiaries.

THE BASIS FOR DETERMINING THE CONSIDERATION

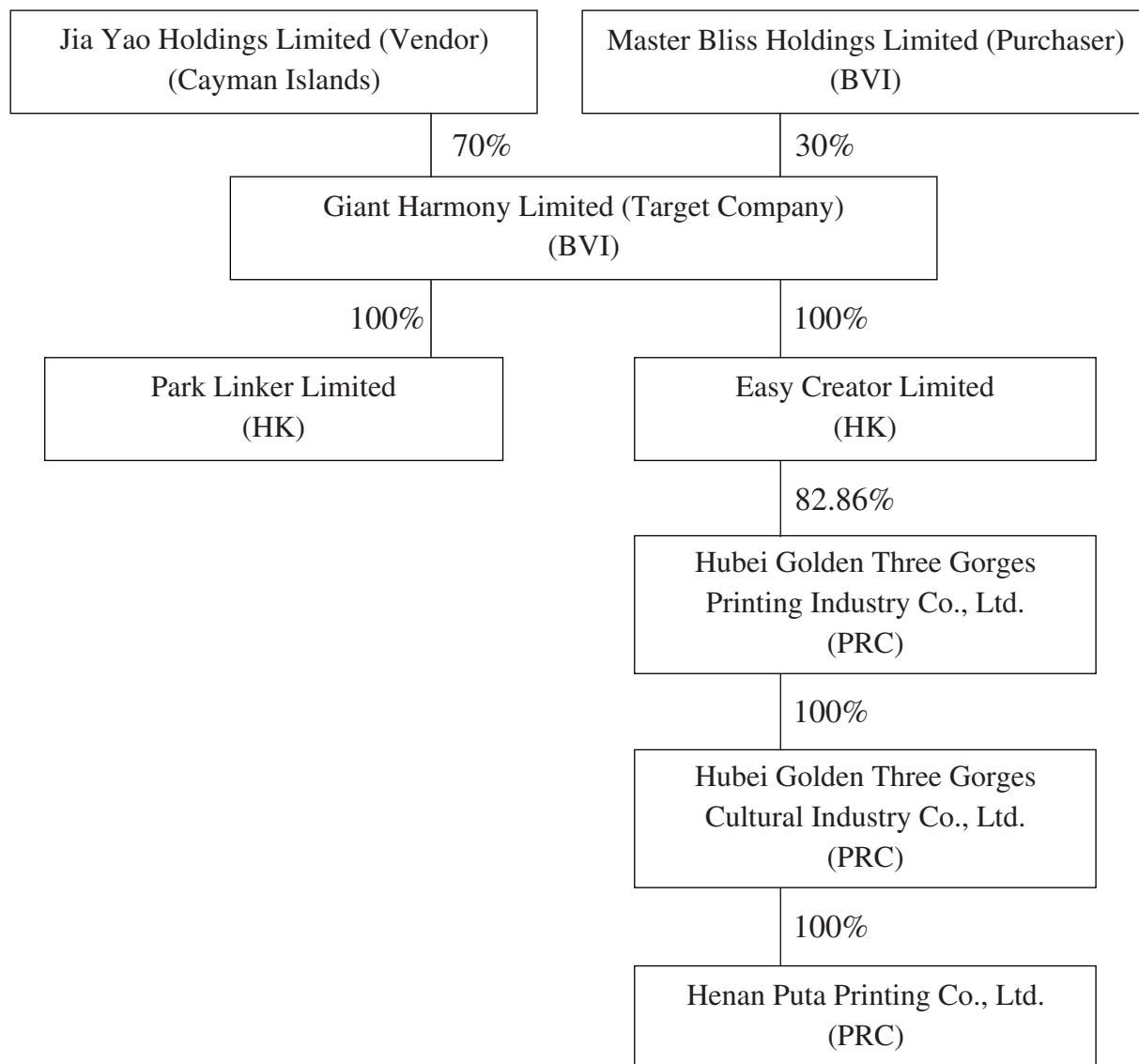
Hubei Golden Three Gorges is the main source of operating income and the company with major assets in the Target Company. According to the asset evaluation report issued by Hubei Yunji Asset Appraisal Firm, the appraised equity value of Hubei Golden Three Gorges as at 30 June 2023 was RMB264,529,700 (in which the Company indirectly holds 82.86% equity interest, thus only RMB219,189,309 out of RMB264,529,700 are attributable to the Company). The consolidated net asset value of the Target Company, being RMB219,838,543, is slightly higher than the appraised equity value of Hubei Golden Three Gorges attributable to the Company. And it is determined by the Parties to use the consolidated net asset value of the Target Company as the starting point for computing the

consideration. Pursuant to the Sale and Purchase Agreement, the undistributed profits of the Target Company and its subsidiaries of approximately RMB74,276,232 as at (and including) 30 June 2023, and 82.86% of the compensation in respect of the Resumption of Land to be received by Hubei Golden Three Gorges of approximately RMB177,520,000, shall belong to the Company and be distributed only to the Company upon Completion of the Disposal. And for this purpose, the Purchaser has also undertaken to execute all such necessary documents post-Completion including but not limited to making a dividend forfeiture declaration. Thus, the consideration is calculated by: the consolidated net assets of the Target Company being RMB219,838,543 minus the undistributed profits of the Target Company and its subsidiaries being RMB74,276,232) times 30%, which is approximately RMB43,668,693 (and equivalent to the Consideration HK\$47,465,971).

THE SHAREHOLDING STRUCTURE OF THE TARGET GROUP BEFORE THE DISPOSAL



THE SHAREHOLDING STRUCTURE OF THE TARGET GROUP AFTER THE DISPOSAL



THE PRINCIPAL BUSINESS ACTIVITIES CARRIED ON BY THE TARGET COMPANY AND EACH OF ITS SUBSIDIARIES

| Company Name | Principal Business Activities |
|---|--|
| Target Company | investment holding of subsidiaries |
| Park Linker Limited | not yet commence business |
| Easy Creator Limited | investment holding of subsidiaries |
| Hubei Golden Three Gorges Printing Industry Co., Ltd. | design, production and sales of paper cigarette packages |

| Company Name | Principal Business Activities |
|---|--|
| Hubei Golden Three Gorges Cultural Industry Co., Ltd. | investment holding of a subsidiary |
| Henan Puta Printing Co., Ltd. | production and sales of paper cigarette packages |

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as disclosed above, the Board confirms that the above supplemental information does not affect other information contained in the Announcement and the content of the Announcement remains correct and unchanged.

By order of the Board
Jia Yao Holdings Limited
Yang Yoong An
Chairman and Executive Director

Hong Kong, 10 January 2024

As at the date of this announcement, the Board comprises Mr. Yang Yoong An (Chairman) as executive Director, Mr. Feng Bin and Mr. Yang Fan as non-executive Directors and Mr. Gong Jinjun, Mr. Wang Ping and Ms. Guo Wei as independent non-executive Directors.