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EvDynamics

Ev Dynamics (Holdings) Limited

科軒動力（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 476)

INSIDE INFORMATION ENTERING INTO THE LOAN AGREEMENT

This announcement is made by Ev Dynamics (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

LOAN AGREEMENT

The Loan Agreement

On 12 March 2024, the Company entered into a loan agreement (the “**Loan Agreement**”) with S.C.I SATO EV (the “**Lender**”), for the advance of a loan facility of EUR594,339 (equivalent to approximately HK\$5,082,000) (the “**Loan**”) for a period of three months commencing from the disbursement date of the Loan (the “**Disbursement Date**”).

The principal terms of the Loan Agreement are summarised as follows:

- Date : 12 March 2024
- Parties : (1) The Company (as Borrower); and
(2) S.C.I SATO EV (as Lender).
- Principal amount : EUR594,339 (equivalent to approximately HK\$5,082,000)
- Term : Commencing from the Disbursement Date and expiring on third month from the Disbursement Date
- Interest rate : 5.0% per annum commencing from the Disbursement Date
- Repayment : The principal of the Loan and the respective interest shall be repaid upon maturity of the Loan
- Security : 2,666 shares of Quantron AG held by the Company (representing approximately 3.78% of the issued shares of Quantron AG, a company incorporated in Germany) shall be pledged in favour of the Lender (the “**Pledged Quantron Shares**”).

In the event the Company fails to fulfill its obligations of the Repayment under the Loan Agreement, the Lender is entitled to enforce the pledge and acquire the Pledged Quantron Shares to settle the Repayment under the Loan Agreement. Upon the receipt of the Pledged Quantron Shares as repayment, the Lender shall not have any further rights or claims on the Loan under the Loan Agreement.

Information on the Lender

The Lender is a company incorporated in Monaco, and the ultimate beneficial owner of the Lender is Dato’ Sri Johann Young, a Malaysian citizen. To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, the Lender and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Reasons for the Loan

Despite the Company continued to safeguard its working capital by requesting the customers to pay deposit before commencing production of any purchase orders, the customers of the Group have postponed the purchase orders in order to maintain their working capital due to the cautious economic sentiment and the prevailing high interest rate environment, which in turn exerted pressure on the working capital of the Group. In particular, as at 31 January 2024, the balance of the cash and cash equivalent of the Group amounted to approximately HK\$2,117,000.

However, as a result of the recent investment sentiment, the Company had difficulties in exploring fundraising opportunities to replenish its working capital. As such, the Company considers the Loan may provide short-term working capital for the Group for its operation while continuing to negotiate for and finalise any fundraising opportunities. The gross proceed of the Loan is intended to be utilised as general working capital of the Company.

Taking into account of the above, the Board is of the view that the terms of Loan Agreement are on normal commercial terms, fair and reasonable and the entering into the Loan Agreement is in the interests of the Company and its shareholders as a whole.

For and on behalf of the Board
Ev Dynamics (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 12 March 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Ngan, Mr. Miguel Valldecabres Polop and Ms. Chan Hoi Ying, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Lee Kwok Leung and Dato' Tan Yee Boon.

For illustration only, amounts in EUR have been translated into HK\$ at the exchange rate of EUR1 = HK\$8.55.