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中國汽車內飾集團有限公司
CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 0048)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE TENANCY AGREEMENT FOR
LEASING OF PREMISES**

The Board is pleased to announce that on 26 June 2025, Joystar Wuxi, a wholly-owned subsidiary of the Company, as lessee and the Landlord as lessor entered into the Tenancy Agreement in respect of the lease of the Premises for the period from 1 January 2026 to 31 December 2030 (both days inclusive).

Upon implementation of HKFRS 16 effective from 1 January 2019, if the Group enters into lease transaction as a lessee, it should recognise the right-of-use asset in the consolidated financial statements of the Company.

Accordingly, entering into lease transaction by the Group as lessee will be regarded as acquisition of assets under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules, and may constitute notifiable transaction for the Company under the Listing Rules depending on the size of the lease transaction.

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transaction contemplated under the Tenancy Agreement in aggregate exceed 5% and below 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE TENANCY AGREEMENT

Set out below is a summary of the principal terms of the Tenancy Agreement:

Date	26 June 2025
Parties	(a) Joystar Wuxi as lessee; and (b) the Landlord as lessor To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Landlord and its ultimate beneficial owners are Independent Third Parties.
Premises	The state-owned industrial complex situated at No. 6, No. 11, Tianxing Avenue, Shuangqiao Economic and Technological Development Zone, Chongqing, the PRC with gross floor area of approximately 11,000 sq.m.
Use of the Premises	For industrial only for the mainly production of automotive floor carpet fabrics (汽車主地毯面料), trunk mat materials (行李箱蓋毯面料), seat cover carpet materials (座椅面料), hubcap carpet materials (輪罩面料) and car-mat materials (汽車腳踏墊面料).
Term	Five years commencing from 1 January 2026 to 31 December 2030 (both days inclusive).
Rental payment	The total rent payable over the lease term under the Tenancy Agreement shall be approximately RMB4.2 million.
Deposit	The deposit payable is approximately RMB270,000.

The rent under the Tenancy Agreement was determined after arm's length negotiations between Joystar Wuxi and the Landlord, after taking into consideration the prevailing market rental rate for comparable premises in the vicinity of the Premises.

CONSIDERATION AND RIGHT-OF-USE ASSET OFFER

Pursuant to the HKFRS 16 “Leases”, the total consideration under the Tenancy Agreement represents the aggregate amount of rental payments to be made over the term of the Tenancy Agreement measured at present value basis. The considerations and right-of-use asset recognised under Tenancy Agreement were approximately RMB3.8 million. The amounts of rental payments over the term will be settled by the internal financial resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

The Group is principally engaged in the manufacture and sale of non-woven fabric related products used in automotive interior decoration parts and other parts. The Group will set up new production lines in Chongqing, the PRC and the Premises will be occupied by the Group as new factory premises to enable its continued business development of the Group.

The terms of the Tenancy Agreement, including the rental charge, were determined after arm’s length negotiations between the parties. Entering into of the Tenancy Agreement are necessary and is in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Tenancy Agreement are fair and reasonable and entering into the Tenancy Agreement are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Joystar Wuxi is a company incorporated in the PRC with limited liability on 12 December 2003, which is an indirect wholly-owned subsidiary of the Company and is mainly engaged in the manufacture and sale of non-woven fabric products used in automotive interior decoration parts.

The Landlord is a state-owned company wholly-owned by Chongqing Shuangqiao Economic and Technological Development Zone Finance Bureau (重慶市雙橋經濟技術開發區財務局) in the PRC. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

Upon implementation of HKFRS 16 effective from 1 January 2019, if the Group enters into lease transaction as a lessee, it should recognise the right-of-use asset in the consolidated financial statements of the Company.

Accordingly, entering into lease transaction by the Group as lessee will be regarded as acquisition of assets under the definition of transaction set out in Rule 14.04(1) (a) of the Listing Rules, and may constitute notifiable transaction for the Company under the Listing Rules depending on the size of the lease transaction.

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transaction contemplated under the Tenancy Agreement in aggregate exceed 5% and below 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	China Automotive Interior Decoration Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the directors’ knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Joystar Wuxi”	Joystar (Wuxi) Automotive Interior Decoration Co., Ltd. (怡星(無錫)汽車內飾件有限公司), a company incorporated in the PRC with limited liability on 12 December 2003, which is an indirect wholly-owned subsidiary of the Company
“Landlord”	重慶卓捷投資管理有限公司, a state-owned company wholly-owned by Chongqing Shuangqiao Economic and Technological Development Zone Finance Bureau (重慶市雙橋經濟技術開發區財務局)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Premises”	the industrial complex situated at No. 6, No. 11, Tianxing Avenue, Shuangqiao Economic and Technological Development Zone, Chongqing, the PRC

“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 26 June 2025 entered into between Joystar Wuxi as lessee and the Landlord as lessor in relation to the tenancy of the Premises
“RMB”	Renminbi, the lawful currency of the PRC

By order of the Board
China Automotive Interior Decoration Holdings Limited
Zhuang Yuejin
Chairman

Hong Kong, 26 June 2025

As at the date hereof, the executive Directors are Mr. Zhuang Yuejin, Mr. Ng Chung Ho and Ms. Xiao Suni, and the independent non-executive Directors are Mr. Yuen Wai Keung, Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.