
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **JIADING INTERNATIONAL GROUP HOLDINGS LIMITED**, you should at once hand this Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



JIADING INTERNATIONAL GROUP HOLDINGS LIMITED

嘉鼎國際集團控股有限公司

(Formerly known as Farnova Group Holdings Limited 法諾集團控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock code: 08153)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents, the applicable laws in Hong Kong and Bermuda and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Friday, 10 February 2023). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Capitalised terms used in this cover page have the same meanings as defined in this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 17 January 2023 to Friday, 27 January 2023 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 17 January 2023 to Friday, 27 January 2023 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Wednesday, 1 February 2023. The procedure for acceptance and payment or transfer is set out on pages 17 to 19 of this Prospectus.

13 January 2023

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

Set out below is the expected timetable for the proposed Rights Issue which is indicative only and has been prepared on the assumption that the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Event	Date
First day of dealing in nil-paid Rights Shares	Tuesday, 17 January 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	9:00 a.m. on Tuesday, 17 January 2023
Latest time for splitting of the PAL	4:30 p.m. on Thursday, 19 January 2023
Last day of dealing in nil-paid Rights Shares	Friday, 27 January 2023
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 1 February 2023
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 3 February 2023
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Tuesday, 7 February 2023
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent.	6:00 p.m. on Thursday, 9 February 2023
Latest Time for Termination	Friday, 10 February 2023

EXPECTED TIMETABLE

Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Monday, 13 February 2023
Despatch of refund cheques, if any, if Rights Issue is terminated on or before	Tuesday, 14 February 2023
Despatch of share certificates for fully-paid Rights Shares.	Tuesday, 14 February 2023
Expected first day of dealings in fully-paid Rights Shares	Wednesday, 15 February 2023
Payment of Net Gain to relevant No Action Shareholders (if any)	Tuesday, 28 February 2023
Designated broker ceases to provide matching services for odd lots of the Shares.	4:00 p.m. on Friday, 17 March 2023

All time and dates in this Prospectus are references to Hong Kong local time and dates. Dates or deadlines stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any further changes to the expected timetable for the Rights Issue will be announced by the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 1 February 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 1 February 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Wednesday, 1 February 2023, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 28 December 2022 in relation to, among other things, the Rights Issue and the Placing
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Company”	Jiading International Group Holdings Limited (formally known as Farnova Group Holdings Limited 法諾集團控股有限公司), a company incorporated in Bermuda with limited liability whose issued shares are listed on the Stock Exchange (stock code: 08153)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this Prospectus

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are independent of and not connected with the Company and its connected persons (or any of their respective associate)
“Last Trading Day”	28 December 2022 being the last trading day of the Shares on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	6 January 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information referred to in this Prospectus

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on 1 February 2023 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	10 February 2023 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements
“New Battery Technology Business”	the manufacturing of alkene carbon composite material batteries and suppling of graphene battery fast-charging solutions business
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that has/have not been sold by the Company

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Orient Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 28 December 2022 and entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Period”	a period commencing from the second Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be 7 February 2023, and ending at 6:00 p.m. on 9 February 2023
“Placing Shares”	all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and PAL
“Prospectus Posting Date”	Friday, 13 January 2023, or such other day as may be determined by the Company for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“R&D”	the research and development
“Record Date”	12 January 2023 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Abacus Ltd., the Company’s Hong Kong branch share registrar and transfer office at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 509,485,435 new Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders or subscription pursuant to the Rights Issue, assuming no change in the number of Shares in issue on or before the Record Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of par value HK\$0.004 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.100 per Rights Share
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

LETTER FROM THE BOARD



JIADING INTERNATIONAL GROUP HOLDINGS LIMITED

嘉鼎國際集團控股有限公司

(Formerly known as Farnova Group Holdings Limited 法諾集團控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock code: 08153)

Executive Directors:

Mr. Mou Zhongwei

Ms. Liu Ching Man

Mr. Li Guangying

Registered office:

Clarendon House,

2 Church Street Hamilton HM 11,

Bermuda

Non-executive Directors:

Ms. Wang Dongmei

Mr. Ye Wenxue

Principal place of business in Hong Kong:

Room 1104A, 11/F,

Kai Tak Commercial Building,

317-319 Des Voeux Road Central,

Sheung Wan, Hong Kong

Independent non-executive Directors:

Mr. Luo Ji

Mr. Lui Chi Kin

Ms. Cai Ying

13 January 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY
TWO (2) EXISTING SHARES HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the announcement of the Company dated 28 December 2022 in relation to, among other things, the Rights Issue. The Board proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription

LETTER FROM THE BOARD

Price of HK\$0.100 per Rights Share to raise approximately HK\$51 million by issuing 509,485,435 Rights Shares to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any). On 28 December 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent places on a best effort basis.

The purpose of this Prospectus is to provide you, among other things, further details on (i) the Rights Issue and information on acceptance of the Rights Shares; (ii) the financial information of the Group; (iii) the unaudited pro forma financial information of the Group; and (iv) the general information of the Group.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.100 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,018,970,870 Shares
Number of Rights Shares	:	Up to 509,485,435 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$2,037,941.74 (assuming no change in the share capital of the Company on or before the Record Date)
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 1,528,456,305 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued)

The Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Assuming no change in the number of Shares in issue on or before the Record Date, 509,485,435 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up their entitlement under the Rights Issue nor any undertaking from any Shareholders that they will undertake to subscribe for the Rights Shares.

Despite the Rights Issue is conducted on a non-underwritten basis, any Rights Shares not subscribed by the Qualifying Shareholders (i.e. the Unsubscribed Rights Shares), including the NQS Unsold Rights Shares (if any) will be placed by the Placing Agent on the market to independent placees on a best effort basis. The Company considers that such placing arrangement at a placing price of not less than the Subscription Price is attractive to encourage independent placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any). Based on the above, the Company is optimistic that the Qualifying Shareholders and the independent placees (if any) will subscribe for the Rights Shares and raise the necessary proceeds for the Company.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.100 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 50% to the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 51.55% to the average of the closing prices of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 40.12% to the theoretical ex-rights price of HK\$0.167 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a premium over the audited net asset value per Share of approximately HK\$0.068 (based on the latest published consolidated net asset value of the Group of approximately HK\$57,483,000 as at 30 September 2022 as disclosed in the interim report of the Company for the six months ended 30 September 2022 and 1,018,970,870 Shares in issue as at the Latest Practicable Date);
- (v) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 17.28%, represented by the theoretical diluted price of approximately HK\$0.1719 per Share to the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.200 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the Last Trading Day of HK\$0.2078 per Share) of HK\$0.2078 per Share; and
- (vi) a discount of 50% to the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions and the relevant discount to the closing prices; (ii) the prevailing market conditions of the capital market in Hong Kong and the impact of

LETTER FROM THE BOARD

COVID-19 pandemic; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this Prospectus.

It is a common market practice that, in order to enhance the attractiveness of rights issue to existing shareholders, the subscription price would be set at a discount to the prevailing market prices of the relevant shares. The Company considers that the Subscription Price provides a more attractive opportunity to encourage the Qualifying Shareholders to participate in the Rights Issue and to maintain their respective shareholding interests in the Company and is therefore fair and reasonable.

In determining the Subscription Price, which represents a discount of 50% to the closing price of HK\$0.200 per Share on the Last Trading Day, the Directors have considered, among other things as mentioned above, market price of the Shares traded on the Stock Exchange from 29 September 2022 to the Last Trading Day, representing approximately three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with closing price ranges between the lowest closing price of HK\$0.188 per Share on 6 October 2022 and the highest closing price of HK\$0.300 per Share on 19 October and 20 October 2022, with an average closing price during the Relevant Period of approximately HK\$0.231 per Share. In general, the daily closing price per Share during the Relevant Period demonstrates a slightly downward trend.

The Board considers, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

The estimated net proceeds (assuming no change in the number of Shares in issue on or before the Record Date) upon full acceptance of the provisional allotment of the Rights Issue, after deducting the related expenses, will be approximately HK\$48.5 million. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of the Rights Shares will be approximately HK\$0.095.

LETTER FROM THE BOARD

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company, and not be a Non-Qualifying Shareholder on the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder have been lodged the relevant transfer(s) of Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Thursday, 5 January 2023. The last day of dealing in the Shares on cum-rights basis was Tuesday, 3 January 2023.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue.

Based on the latest register of members of the Company, there was one Overseas Shareholder holding of 1,200,000 Shares representing approximately 0.12% of the total number of issued Shares, whose address on the register of members was in the British Virgin Islands (“BVI”) as at the Latest Practicable Date.

In compliance with the GEM Listing Rules, the Directors have made enquiries with legal adviser of the BVI on whether or not under the laws of the BVI, the Rights Issue could be extended to the BVI Shareholder. The legal advisers to the Company as to the BVI laws are of view that there are no legal restrictions in the BVI which prohibit the BVI Shareholder from receiving the Rights Shares under the Rights Issue; and there are no requirements of any relevant regulatory body in the BVI that limits the right of the BVI Shareholder to receive the Rights Shares under the Rights Issue. Accordingly, the extension of the Rights Issue to the BVI Shareholder and the offering of the Rights Shares to it will not violate any applicable law or

LETTER FROM THE BOARD

regulations in the BVI. It is the responsibility of the BVI Shareholder to observe the local legal and regulatory requirements applicable to it for taking up and onward sale (if applicable) of the Rights Shares. Based upon such advice, the Directors have decided to extend the Rights Issue to the BVI Shareholder, and the BVI Shareholder shall therefore be a Qualifying Shareholder.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

Fractional entitlements to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company.

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Odd lots matching services

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Orient Securities Limited at (852) 21809292 or by facsimile at (852) 21809288 during the period from 9:00 a.m. on Tuesday, 17 January 2023 to 4:00 p.m. on Friday, 17 March 2023 (both days inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Application for the Rights Shares

The PALs relating to the Rights Shares are enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Wednesday, 1 February 2023. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR TRUST (HONG KONG) LIMITED — A/C No.33" and crossed "ACCOUNT PAYEE ONLY". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 1 February 2023, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole

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discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 19 January 2023 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" below are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to

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the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 14 February 2023. No receipt will be issued in respect of any application monies received.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 14 February 2023.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 28 December 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m. on Thursday, 9 February 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

Application for listing of the Rights Shares

The Company has applied to the GEM Listing Committee for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 20,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date;
- (iii) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Business Day prior to the first day of their dealings;
- (iv) compliance with the requirements under the applicable laws and regulations of Hong Kong and Bermuda; and
- (v) the Placing Agreement is not terminated.

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None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed.

Placing Agreement for the Unsubscribed Rights Shares and NQS Unsold Rights Shares

Details of the Placing Agreement are summarised as follows:

- Date : 28 December 2022 (after trading hours)
- Issuer : The Company
- Placing Agent : Orient Securities Limited
The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties.
- Placing Period : A period commencing from the second Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be 7 February 2023, and ending at the 6:00 p.m. on 9 February 2023
- Commission and expense : Subject to the completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 3.5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

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- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s) (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- For the avoidance of doubt, no placee shall become a substantial shareholder of the Company as a result of the Placing. The Company will continue to comply with the public float requirements under Rule 11.23(7) of the GEM Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.

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- Conditions of the Placing Agreement : The Placing is conditional upon the fulfillment of the following conditions:
- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;
 - (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
 - (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the conditions (other than those set out in paragraph (i) above) by notice in writing to the Company.

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The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Latest Time for Termination. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Latest Time for Termination or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The terms of the Placing Agreement, including the commission payable, was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole:

- (i) the arrangements are in compliance with the requirements under Rule 10.31(1)(b) of the GEM Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over

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the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company;

- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the placing Shares. The Placing Agent and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) are Independent Third Parties; and
- (iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date, and the effect on the shareholding structure of the Company upon completion of the Rights Issue:

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		(iii) Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent	
	<i>Number of issued Shares</i>	<i>Approximately %</i>	<i>Number of issued Shares</i>	<i>Approximately %</i>	<i>Number of issued Shares</i>	<i>Approximately %</i>
	Mou Zhongwei (<i>note</i>)	15,000,000	1.47	22,500,000	1.47	15,000,000
Wang Dongmei (<i>note</i>)	2,926,000	0.29	4,389,000	0.29	2,926,000	0.19
Ye Wenxue (<i>note</i>)	19,056,000	1.87	28,584,000	1.87	19,056,000	1.25
Public Shareholders	981,988,870	96.37	1,472,983,305	96.37	981,988,870	64.25
Independent placees	—	—	—	—	509,485,435	33.33
Total	1,018,970,870	100.00	1,528,456,305	100.00	1,528,456,305	100.00

Note: Mr. Mou Zhongwei, Ms. Wang Dongmei and Mr. Ye Wenxue are Directors.

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REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in manufacture and sales of new energy automobile and advertising.

The maximum net proceeds of the Rights Issue, after deducting all relevant expenses are estimated to be approximately HK\$48.5 million (assuming no change in the number of Shares in issue on or before the Record Date). The net price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.095. The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 47% (or approximately HK\$23 million) will be used for the repayment of debts of the Group; (ii) approximately 41% (or approximately HK\$20 million) will be used for the expansion and R&D of the New Battery Technology Business; and (iii) approximately 12% (or approximately HK\$5.5 million) will be used as the general working capital of the Group. The net proceeds from the Rights Issue are expected to be fully utilised within 12 months immediately upon the completion of the Rights Issue.

The Board considers the expansion and the R&D of the New Battery Technology Business will further expand its business scale, thereby generating greater return for the shareholders of the Company.

If the Rights Issue is undersubscribed, the above use of proceeds will be adjusted by the Company accordingly and the net proceeds from the Rights Issue will be applied by the Company in the following order of priority:

- (i) for the repayment of debts of the Group;
- (ii) for the expansion and R&D of the New Battery Technology Business; and
- (iii) for the general working capital.

The Board has considered various ways of raising funds and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale

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as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

FUND RAISING EXERCISE IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

Date of Announcement	Event	Net proceeds raised (Approximately)	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date
11 January 2022	Placing of new shares under general mandate	HK\$81 million	For repayment of debts, expansion of the Group's business and general working capital	For settlement of part of its borrowings and bond and interest payable of approximately HK\$76,764,000 and approximately HK\$4,236,000 respectively
7 October 2022	Placing of new shares under general mandate	HK\$26 million	For repayment of debts and general working capital	Approximately HK\$5.8 million used for repayment of debts; approximately HK\$18.4 million used as working capital; approximately HK\$1.8 million as bank deposit

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GEM LISTING RULES IMPLICATIONS

Apart from the abovementioned, Company has not conducted any rights issue or open offer within the 12 month period prior to the Latest Practicable Date and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under the GEM Listing Rules.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

As at the Latest Practicable Date, save for the Rights Issue and the Placing, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any fund raising activities in the next 12 months.

RISK FACTORS

The Directors believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. The Directors believe the significant risks relating to the business are as follows:

Risk relating to the Group

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses.

Risk relating to the Share Price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares on the open market and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in Hong Kong could cause the market price of the Shares to change substantially.

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Risk relating to the Rights Issue

Under the Placing Agreement, the Placing Agent shall be entitled by notice in writing to the Company to terminate its obligations upon the occurrence of any of the terminating events as stipulated under the Placing Agreement on or before the Latest Time for Termination.

Moreover, should the Rights Issue proceed as intended, the interest of the existing Shareholders will be diluted if they do not or cannot, as the case may be, subscribe for the Rights Shares which they are entitled to.

Economic and political risks

The business operations of the Group are primarily based in Hong Kong and the PRC, any significant change in the general economic and political developments in Hong Kong and the PRC may adversely affect the Group's operations and financial position.

Additional risks

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the business of the Group in a material aspect.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the fulfilment of conditions precedent (a summary of which is set out in the paragraph headed "Conditions of the Rights Issue" above). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt with on an ex-rights basis from Wednesday, 4 January 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 17 January 2023 to Friday, 27 January 2023 (both days inclusive). Any Shareholder or other person dealing in Shares or in the nil-paid Rights Shares up to the date on which the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

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Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus.

By Order of the Board
**JIADING INTERNATIONAL GROUP
HOLDINGS LIMITED**
Mou Zhongwei
Chairman

1. FINANCIAL SUMMARY OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 March 2020, 2021 and 2022, the three months ended 30 June 2022 and the six months ended 30 September 2022 were disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.jiadingint.com>). Set out below are links to the relevant annual reports of the Company:

- (i) The annual report of the Company for the year ended 31 March 2022 published on 14 August 2022 (pages 78 to 191):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0814/2022081400081.pdf>

- (ii) The annual report of the Company for the year ended 31 March 2021 published on 1 July 2021 (pages 81 to 191):

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0701/2021070100033.pdf>

- (iii) The annual report of the Company for the year ended 31 December 2020 published on 21 September 2020 (pages 74 to 203):

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0921/2020092100441.pdf>

- (iv) The first quarterly report of the Company for the three months ended 30 June 2022 published on 14 August 2022 (pages 11 to 20):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0814/2022081400093.pdf>

- (v) The interim report of the Company for the six months ended 30 September 2022 published on 14 November 2022 (pages 20 to 48):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/1114/2022111402033.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 November 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

(a) Borrowings

The Group had aggregate outstanding borrowings of approximately HK\$20.0 million unsecured loans.

(b) Promissory note

The Group had aggregate promissory note and interest payable of approximately HK\$1.7 million. The promissory note is unsecured.

(c) Bond and interest payable

The Group had aggregate bond and interest payable of approximately HK\$5.3 million. The bond was issued to an independent third party.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 30 November 2022, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including the existing cash and bank balances, available facilities and the estimated net proceeds from the Rights Issue and the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus. The Company has obtained the relevant confirmation as required under Rule 12.26C of the GEM Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm there had been no material adverse change in the financial or trading position of the Group since 31 March 2022 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT

The Group is principally engaged in (i) manufacture and sales of new energy automobile and (ii) advertising.

The Group derives its revenue mainly from the provision of advertising services. During the six months ended 30 September 2022, the Group recorded a revenue of approximately HK\$42.0 million, representing a slight increase of approximately 6.1%, when compared to that of approximately HK\$39.6 million achieved for the six months ended 30 September 2021, which was solely derived from its advertising services business. No revenue was recorded from the sales of new energy electric vehicles for the six months ended 30 September 2022.

The global economy has gradually recovered from the effects of COVID-19 albeit the resurgence of the pandemic during the 1st quarter of 2022. It is anticipated that following the relaxation of travel and quarantine restrictions world-wide and the effective controls on the pandemic situation in the PRC, the economy, in particularly, in the south east region of the PRC, will pick up its growth momentum in the upcoming months. The Group's advertising business in the PRC and Hong Kong will definitely benefit from the re-bound of the market sentiments and grasp the opportunities in expanding its market shares and businesses when these arises.

The Group's senior management is confident on the development of its advertising business and will continue to strengthen its sales and marketing teams for providing cost effective marketing and advertising solutions to its clients as well as enhancing its overall operation efficiency.

The Group has been seeking appropriate investment opportunities to acquire renewable energy projects with promising prospects and potential to bring stable returns. On 25 November 2022, the Company has successfully acquired Hainan Weishi New Energy Technology Company Limited* (海南唯時新能源科技有限公司), which is determined to become the world's leading supplier of graphene battery fast-charging solutions and a smart manufacturer of alkene carbon composite material batteries, to develop the New Battery Technology Business. The Board considers that the acquisition will further expand its business scale, thereby generating greater returns for the shareholders of the Company.

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 31 of Chapter 7 of the GEM Listing Rules is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 September 2022.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 September 2022, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 <i>(Note 1)</i> HK\$'000	Effect on unaudited consolidated net tangible assets of the Group upon issue of shares after 30 September 2022 <i>(Note 2)</i> HK\$'000	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at the Latest Practicable Date upon completion of placing HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2022 upon completion of the Rights Issue HK\$'000
43,297	26,212	69,509	48,500	118,009

Unaudited consolidated net tangible assets per existing share before implementation of the Rights Issue *(Note 4)*

HK\$ 0.07

Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue *(Note 5)*

HK\$ 0.08

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 is extracted from the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 September 2022 of approximately HK\$60,277,000 as adjusted by exclusion of right-of-use assets of approximately HK\$147,000 and goodwill of approximately HK\$16,833,000 as shown on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2022 that has been extracted from the published interim report of the Company for the six months ended 30 September 2022 dated 14 November 2022.
2. On 7 October 2022, the Company entered into a placing agreement with a placing agent to place of 169,828,478 new shares under general mandate of the Company at HK\$0.16 per share. The placing was completed on 21 October 2022. The net proceeds were approximately HK\$26,212,000.
3. The estimated net proceeds from the Rights Issue of approximately HK\$48,500,000 is calculated based on the maximum number of 509,485,435 Rights Shares to be issued at the subscription price of HK\$0.10 per Rights Share, after deduction of the estimated related expenses of approximately HK\$2,449,000, assuming that the Rights Issue had been completed on 30 September 2022.
4. The calculation is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at the Latest Practicable Date of approximately HK\$69,509,000 divided by the number of Shares in issue of 1,018,970,870 as at the Latest Practicable Date and immediately before completion of the Rights Issue.
5. The calculation is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2022 of approximately HK\$118,009,000 divided by total number of Shares as enlarged by the allotment and issue of the Rights Shares of 1,528,456,305 which is arrived at on the basis that (i) 1,018,970,870 Shares in issue at the Latest Practicable Date and (ii) 509,485,435 Rights Shares to be issued upon completion of the Rights Issue, as if the Rights Issue had been completed on 30 September 2022.

* *The English translation of the company names is for identification purpose only.*

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

13 January 2023

The Board of Directors
Jiading International Group Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Jiading International Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 30 September 2022 as set out on pages II-1 to II-2 of the prospectus (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group’s consolidated net tangible assets as at 30 September 2022 as if the transaction had been taken place at 30 September 2022. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2022, on which no audit or review report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2022 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for and benefits of the Rights Issue and use of proceeds" set out on pages 27 to 28 of the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Yeung Hong Chun
Practising Certificate Number P07374
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital in the Company (i) as at the Latest Practicable Date; and (ii) immediately following the allotment and issue of the Rights Shares, assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, will be as follows:

i. As at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
25,000,000,000	Shares of HK\$0.004 each	100,000,000.00
<i>Issued and paid-up share capital:</i>		
1,018,970,870	Shares of HK\$0.004 each	4,075,883.48

- ii. Immediately following the allotment and issue of the Rights Shares, assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue:

<i>Authorised:</i>		<i>HK\$</i>
25,000,000,000	Shares of HK\$0.004 each	100,000,000.00
 <i>Issued and paid-up share capital:</i>		
1,018,970,870	Shares of HK\$0.004 each	4,075,883.48
509,485,435	Rights Shares to be allotted and issued upon completion of the Rights Issue of HK\$0.004 each	2,037,941.74
<u>1,528,456,305</u>	Shares in issue immediately after completion of the Rights Issue of HK\$0.004 each	<u>6,113,825.22</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

The Company has applied to the GEM Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executives of the Company or their associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) have to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

Long position in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage or attributable percentage of shareholding
Mr. Mou Zhongwei	Beneficial owner	15,000,000	1.47% (L)
Ms. Wang Dongmei	Beneficial owner	2,926,000	0.29% (L)
Mr. Ye Wenxue	Beneficial owner	19,056,000	1.87% (L)

(L): denotes long position

Save as disclosed above, as at the Latest Practicable Date, as far as the Directors are aware, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 March 2022 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or

leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or might compete, either directly or indirectly, with the business of the Group pursuant to the GEM Listing Rules.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group after the date falling two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

- (i) the Placing Agreement;
- (ii) the placing agreement dated 7 October 2022 entered into between the Company and the Gransing Securities Co., Limited in relation to the placing of up to 169,828,478 Shares on a best efforts basis, at the placing price of HK\$0.160 per placing share for which a placing commission of 3.5% of the aggregate amount equal to the placing price multiplied by the actual number of placing shares successfully placed by the placing agent;

- (iii) the placing agreement dated 11 January 2022 entered into between the Company and the Yuet Sheung International Securities Limited in relation to the placing of up to 1,400,000,000 Shares on a best efforts basis, at the placing price of HK\$0.060 per placing share for which a placing commission of 1% of the aggregate amount equal to the placing price multiplied by the actual number of placing shares successfully placed by the placing agent;
- (iv) the agreement dated 26 November 2021 entered between the Company, the vendors and the guarantors in relation to the acquisition of 12.005% equity interest in Guangxi Huao Automobile Manufacturing Co. Ltd. at the consideration of RMB100 million in cash; and
- (v) the acquisition agreement dated 24 December 2021 entered between the Shenzhen Haidemu Green Technology Co., Ltd. (“**Haidemu**”), a non-wholly-owned subsidiary of the Company, and Mr. Zhu Ning, pursuant to which Mr. Zhu Ning has conditionally agreed to sell and the Haidemu has conditionally agreed to purchase the 51% of the entire equity interests in the Beijing Creative Communication International Culture Media Co., Ltd., at the consideration of RMB12,750,000. For further details, please refer to the announcement of the Company dated 24 December 2021.

9. EXPERTS AND CONSENTS

The following are the qualification of the expert who have been named in this Prospectus or have given opinions, letters or advices contained in this Prospectus:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountant

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2022, being the date to which the latest published audited accounts of the Company were made up.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors	<i>Executive Directors</i> Mr. MOU Zhongwei (Chairman) Ms. LIU Ching Man Mr. LI Guangying <i>Non-Executive Directors</i> Ms. WANG Dongmei Mr. YE Wenxue <i>Independent Non-Executive Directors</i> Mr. LUO Ji Mr. LUI Chi Kin Ms. CAI Ying
Registered office	Clarendon House, 2 Church Street Hamilton HM 11, Bermuda
Principal place of business in Hong Kong	Room 1104A, 11/F, Kai Tak Commercial Building, 317–319 Des Voeux Road Central, Sheung Wan, Hong Kong
Authorised representatives	Mr. Mou Zhongwei Mr. Au Yeung Yiu Chung
Compliance officer	Mr. Mou Zhongwei
Company secretary	Mr. Au Yeung Yiu Chung

Auditors and reporting accountants	ZHONGHUI ANDA CPA Limited 23/F, Tower 2, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
Principal bankers	Bank of China (Hong Kong) Limited Bank of China Tower, 1 Garden Road, Hong Kong
Hong Kong share registrar and transfer office	Tricor Abacus Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Principal share registrar and transfer office in Bermuda	MUFG Fund Services (Bermuda) Limited 4th floor, North Cedar House, 41 Cedar Avenue Hamilton HM 12, Bermuda
Stock Code	08153
Company Website	www.jiadingint.com
Placing Agent	Orient Securities Limited 8/F, Unit B, Hip Shing Hong Centre, 55 Des Voeux Road Central, Central, Hong Kong

11. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to the placing commission, printing, registration, translation and legal and accounting fees are estimated to be approximately HK\$2.5 million and are payable by the Company.

12. PARTICULARS OF DIRECTORS OF THE COMPANY

Executive Directors

Mr. MOU Zhongwei (“**Mr. Mou**”), aged 65, has been appointed as the executive director of the Company for over two years since 19 August 2020, has been appointed as the authorised representative of the Company on 19 September 2022. Mr. Mou is currently the chairman, authorised representative and executive director of the Company, the chairman of Hainan Xinshanghe Investment Holdings Co., Ltd., Hainan Shanghe Chaodian New Energy Technology Co., Ltd. and Hainan Shanghe Aviation Intelligent Technology Co., Ltd.. Mr. Mou has many years of experience in the new technology industry and accumulated extensive knowledge in the related business.

Ms. LIU Ching Man (“**Ms. Liu**”), aged 33, has been appointed as an executive director of the Company for over three months since 21 September 2022. Ms. Liu graduated from the Upper Iowa University with a Bachelor of Psychology degree and obtained a master of business administration degree from The Hong Kong Polytechnic University. She is well experienced in the investor relationship and public relationship industry. She has extensive experience in financial public relations. She participated and prepared many listing ceremonies, roadshows and fund-raisings. She also has experience on blockchain development. She previously led development of cryptocurrency exchanges and Web 3.0 blockchain. She is currently the business development director of Hanvey Group Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8219). She is also an independent non-executive director of State Innovation Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8275).

Mr. LI Guangying (“**Mr. Li**”), aged 52, has been appointed as an executive director of the Company for over three months since 21 September 2022. Mr. Li has been a founder and director of Shandong Wenshao Pension Industry Investment Company Limited since 2014. Mr. Li focus on investment in technology industries for more than ten years, with investment footprints covering the internet, new energy, bio-health and other fields and gaining rich experience.

Non-Executive Directors

Ms. WANG Dongmei (“**Ms. Wang**”), aged 61, has been appointed as a non-executive director of the Company for over 3 months since 10 October 2022. Ms. Wang has extensive experience in the communication technology industry. Prior to joining the Group, Ms. Wang worked as manager in an electronic communication equipment company in Shenzhen for over 10 years.

Mr. YE Wenxue (“**Mr. Ye**”), aged 47, has been appointed as a non-executive director of the Company for over 3 months since 10 October 2022. Mr. Ye has been the Chairman of Shenzhen Leadel Industrial Development Co., Ltd. (深圳市利得來實業發展有限公司) since 2004, and has years of experience in the business sector. In addition, he has been the founder of Shenzhen Longde Charity Foundation (深圳市隆德慈善基金會) since 2014. Mr. Ye is concurrently the President of Shenzhen Leizhou Chamber of Commerce (深圳市雷州商會), Honorary President of Xinqiao Chamber of Commerce (新橋商會) and a member of the 5th, 6th and 7th Shenzhen Committee of the Chinese People’s Political Consultative Conference.

Independent Non-Executive Directors

Mr. LUO Ji (“**Mr. Luo**”), aged 39, has been appointed as an independent non-executive director of the Company for over three years since 19 August 2020. Mr. Luo is currently a general manager of Shenzhen Tianxia Huaqing Investment Technology Company Limited since 2018. Mr. Luo has been an independent non-executive Director in China Ding Yi Feng Holdings Limited (formerly name: China Investment Fund Company Limited) (Stock Code: 612) from February 2016 to April 2016.

Mr. LUI Chi Kin (“**Mr. Lui**”), aged 39, has been appointed as an independent non-executive director of the Company for over three months since 21 September 2022. Mr. Lui is a member of the Hong Kong Institute Certified Public Accountants with practicing qualification. He obtained his degree of BBA (Hons) in Accountancy from the Hong Kong Polytechnic University in 2008. Mr. Lui had worked as an auditor for H. C. Watt & Company Limited, BDO Limited and Edward Lau & Company. He has rich experience in providing auditing to listed companies as well as multinational corporations for more than ten years. Mr. Lui is the managing director of UP CPA & Co., Certified Public Accountants (Practising) and Union Professional Limited since 2017.

Ms. CAI Ying (“**Ms. Cai**”), aged 42, has been appointed as an independent non-executive director of the Company for over three months since 21 September 2022. Ms. Cai is currently a financial controller of a company in China. She has over 20 years’ experience in financial management. Ms. Cai is also a supervisor of 智合新天(北京)傳媒廣告股份有限公司 (New Sky Union (Beijing) Media and Advertising Co. Ltd.), the shares of which are listed on the National Equities Exchange and Quotations of China.

Company Secretary

Mr. AU YEUNG Yiu Chung (“**Mr. Au Yeung**”) has been appointed as the Company Secretary on 23 May 2018. Mr. Au Yeung is currently the authorized representatives and secretary of the Company. Mr. Au Yeung holds a Bachelor of Science in Applied Biology with Biotechnology, the degree of Master of Business Administration from University of Wales, Newport and the degree of Master of Corporate Governance from The Open University of Hong Kong. He is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Business address of the Directors

The business address of the Directors is same as the Company’s principal place of business in Hong Kong at Room 1104A, 11/F, Kai Tak Commercial Building, 317–319 Des Voeux Road Central, Sheung Wan, Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised of, namely Mr. Lui Chi Kin (the Chairman of the Audit Committee), Mr. Luo Ji and Ms. Cai Ying. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. PARTICULARS OF DIRECTORS OF THE COMPANY” in this appendix. The primary duties of the Audit Committee include, among other things (i) to review the Group’s annual report, interim report and quarterly reports; (ii) to discuss and review with the auditors of the Company on the scope and findings of the audit; and (iii) to supervise the financial reporting process and internal control procedures and overall risk management of the Group.

14. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies Miscellaneous Provisions Ordinance, so far as applicable.

15. LEGAL EFFECT

This Prospectus, the PAL and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. EXPERTS AND CONSENTS” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

17. DOCUMENTS ON DISPLAY

Pursuant to paragraph 42 of Appendix 1B to the GEM Listing Rules, the issuer shall set out in the listing document the details of a reasonable period of time (being not less than 14 days) during which the documents as required under the paragraph are published on the Stock Exchange’s website and the issuer’s own website.

Accordingly, copies of the following documents will be published on the websites of the Company (<https://www.jiadingint.com/>) and the Stock Exchange (www.hkexnews.hk) during a period of 14 days from the date of this Prospectus (both days inclusive):

- (i) the memorandum of continuance and the Bye-laws of the Company;
- (ii) the material contract referred to in the section headed “Material Contracts” in this appendix;
- (iii) the annual reports of the Company for the financial years ended 31 March 2020 and 2021, and 2022;
- (iv) the first quarterly report of the Company for the three months ended 30 June 2022;
- (v) the interim report of the Company for the six months ended 30 September 2022;
- (vi) the report from Zhonghui Anda CPA Limited in respect of the unaudited pro forma financial information of the Group, the text of which as set out in APPENDIX II of to this Prospectus;

(vii) the written consents referred to in the paragraph under the heading “9. Experts and Consents” in this appendix; and

(viii) the Prospectus Documents.

18. LANGUAGE

In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

19. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

- (ii) As at the Latest Practicable Date, there is no material foreign exchange exposure to the Company. Therefore, no financial instrument was made to hedge such exposures.