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HUAZHONG IN-VEHICLE HOLDINGS COMPANY LIMITED

華眾車載控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6830)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION IN RELATION
TO THE ACQUISITION OF 15% EQUITY INTEREST
IN A JOINT VENTURE**

Reference is made to the announcement (the “**Announcement**”) of Huazhong In-Vehicle Holdings Company Limited (the “**Company**”) dated 3 March 2022 in relation to the acquisition of 15% equity interest in a joint venture. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcement.

THE CONSIDERATION

As disclosed in the Announcement, the entire payment for the Equity Purchase shall be made by the Transferee in instalments after completion of the approval process of the Company and the industrial and commercial registration modification formalities* (工商變更登記手續). The instalments shall be made in the form of funds which can be immediately used in Germany by the Transferee through banks in the PRC in three instalments of EUR1.5 million each within 30 days, 60 days and 90 days after completion of the approval process.

The Consideration for the transaction was determined based on the assessed net asset value of the Target Company and the exchange rate of EUR of the date when the parties reached an agreement on the terms of the Equity Purchase.

The Board is of the view that, following the Completion of the Equity Purchase, the Target Company will become a non-wholly owned subsidiary of the Group, which will enhance the cooperation between the Group and the Target Company and reduce the operating costs. The Consideration for the Equity Purchase was determined based on the valuation report issued by the valuer jointly appointed by the parties and was fair and reasonable to the parties.

INFORMATION OF THE TARGET COMPANY

As at the date of the Announcement, the equity interest of the Target Company is owned as to 25% by the Transferor and as to 50% by the Transferee. The remaining 25% equity interest of the Target Company is owned by Roekona Textilwerk GmbH & Co. KG (“**Roekona**”), an Independent Third Party. Roekona is a company incorporated in Germany with limited liability, which is principally engaged in production of sustainable technical textiles for international markets, especially for the automotive sector. There is no ultimate beneficial owner who holds 30% or more interest in Roekona.

Before Completion, the Target Company was a joint venture which was owned as to 50% by the Group. Upon Completion, the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

The results of the valuation of the Target Company as at 30 June 2021 conducted by Ningbo Hongzheng Assets Appraisal Co., Ltd.* (寧波弘正資產評估事務所), an asset valuation company established in the PRC, is shown below:

	Book value RMB	Valuation results RMB
Total assets	237,409,906.44	242,687,337.72
Total liabilities	23,913,149.90	23,913,149.90
Net assets	213,496,756.54	218,774,187.82

The audited total liabilities and net assets value of the Target Company as at 31 December 2021 were approximately RMB29.4 million and approximately RMB234.3 million respectively.

Save as disclosed above, all other information set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Huazhong In-Vehicle Holdings Company Limited
Zhou Minfeng
Chairman and Chief Executive

Hong Kong, 9 March 2022

As at the date of this announcement, the executive Directors are Mr. Zhou Minfeng and Mr. Wu Bichao; the non-executive Directors are Ms. Lai Cairong, Mr. Wang Yuming, Mr. Guan Xin and Mr. Yu Zhuoping; and the independent non-executive Directors are Mr. Wong Luen Cheung Andrew, Mr. Yu Shuli, Mr. Tian Yushi and Mr. Xu Jiali.

** For identification purpose only*