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## **China Saftower International Holding Group Limited**

### **中國蜀塔國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8623)**

## **DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE**

### **FORMATION OF JOINT VENTURE**

The Board is pleased to announce that on 12 March 2024, Hainan Saftower, an indirect wholly-owned subsidiary of the Company, entered into the JV Articles with Yiheng Tengyu in relation to the formation of the Joint Venture, which is to be held as to 51% by Hainan Saftower and 49% by Yiheng Tengyu. The Joint Venture will be principally engaged in the development and operation of charging facilities for Non-motorised Vehicles.

The Joint Venture has not yet commenced business. It will be recognised as an indirect non-wholly owned subsidiary of the Company and its accounts will be consolidated with those of the Company.

### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in respect of the total capital commitment of Hainan Saftower pursuant to the JV Articles is more than 5% but is less than 25%, the formation of the Joint Venture constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## **INTRODUCTION**

On 12 March 2024, Hainan Saftower, an indirect wholly-owned subsidiary of the Company, entered into the JV Articles with Yiheng Tengyu in relation to the formation of the Joint Venture, which is to be held as to 51% by Hainan Saftower and 49% by Yiheng Tengyu. The principal terms of the JV Articles are summarised below.

## **THE JV ARTICLES**

### **Date of the JV Articles**

12 March 2024

### **Parties**

- (i) Hainan Saftower; and
- (ii) Yiheng Tengyu

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, Yiheng Tengyu and its ultimate beneficial owner are Independent Third Parties.

### **Scope of business**

The Joint Venture will be principally engaged in the development and operation of charging facilities for Non-motorised Vehicles.

The Joint Venture has not yet commenced business. It will be recognised as an indirect non-wholly owned subsidiary of the Company and its accounts will be consolidated with those of the Company.

### **Shareholding Structure and Capital commitment**

Pursuant to the JV Articles, the Joint Venture is to be held as to 51% by Hainan Saftower and 49% by Yiheng Tengyu. The Joint Venture will have a registered capital of RMB10,000,000, which will be contributed by Hainan Saftower as to RMB5,100,000 and Yiheng Tengyu as to RMB4,900,000, respectively. Each of the members is required to pay up its respective committed registered capital on or before 12 March 2029 pursuant to the JV Articles.

The amount of the capital commitment was determined after arm's length negotiation between the Parties, with reference to, among others, the development plans, the business needs and the expected capital requirements of the Joint Venture.

Depending on the financial resources of the Group at the time when Hainan Saftower has to make payment of the registered capital pursuant to the JV Articles, such contribution may be funded by internal resources of the Group or external borrowings.

## **Management of the Joint Venture**

The members' meeting is the authority of the Joint Venture. The members shall exercise their voting rights at the members' meeting of the Joint Venture in proportion to their respective capital contributions.

The Joint Venture has no board of directors but shall have one executive director, who shall be elected by the members' meeting of the Joint Venture. The executive director shall report to the members' meeting and is responsible for, among others, formulation of the business plans and investment plans of the Joint Venture, as well as the management system of the Joint Venture. The term of office of the executive director is three years, and may be re-elected upon expiry of the term of office. The executive director of the Joint Venture shall serve as the legal representative of the Joint Venture.

The Joint Venture has no supervisory board but shall have one supervisor, who shall be elected by the members' meeting of the Joint Venture and shall not be a director nor a senior management of the Joint Venture. The term of office of the supervisor is three years, and the supervisor may be re-elected upon expiry of the term of office.

## **Restrictions on equity transfer**

A member of the Joint Venture may transfer to any other member all or any part of its equity interest in the Joint Venture. In the event that a member proposes to transfer its equity interest in the Joint Venture to a third party, the other member shall have the right of first refusal to such equity interest.

## **INFORMATION OF THE PARTIES**

Hainan Saftower, a company established in the PRC, is an indirect wholly owned subsidiary of the Company and an investment holding company. The Group is a regional manufacturer and supplier of wires and cables, with integrated production facilities situated in Chengdu and Guangyuan of Sichuan Province, the PRC.

Yiheng Tengyu is a company established in the PRC with limited liability, and it principally engages in software development, technical consulting and technical services in the field of Non-motorised Vehicle charging facilities. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Yiheng Tengyu is wholly owned by Ms. Yang Hui, a PRC resident.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE**

With the transformation of the global energy structure and the deepening of environmental protection concepts, there has been an increasing demand for Non-motorised Vehicles serving as green transportation as well as the charging facilities of Non-motorised Vehicles.

In this regard, Yiheng Tengyu has an experienced and skilled research and development team in developing software for Non-motorised Vehicles charging facilities and has developed efficient, stable, and easy-to-use charging management software. Yiheng Tengyu also provides professional technical consulting services to customers. In terms of technical services, Yiheng Tengyu provides an all-rounded service from equipment installation, debugging to maintenance.

In view of the potential in this market, the Directors are of the view that the Joint Venture could leverage the resources of both parties to jointly develop the market of green energy, and provide a good opportunity for the Group to expand its business scope and explore profit growth driver, and hence the Group has decided to establish the Joint Venture with Yiheng Tengyu to jointly develop and produce an operation and management network platform for Non-motorised Vehicle charging facilities on a safe and efficient standard, and provide solutions to meet the diversified needs of the market.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the formation of the Joint Venture and the terms of the JV Articles are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in respect of the total capital commitment of Hainan Saftower pursuant to the JV Articles is more than 5% but is less than 25%, the formation of the Joint Venture constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## DEFINITION

Unless otherwise specified, capitalised terms not previously defined in this announcement shall have the following meanings:

“Board”	the board of Directors of the Company from time to time
“Company”	China Saftower International Holding Group Limited (中國蜀塔國際控股集團有限公司), an exempted company incorporated under the laws of Cayman Islands whose issued shares are listed on GEM of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hainan Saftower”	Hainan Saftower Yichong Technology Co., Ltd* (海南蜀塔益充科技有限公司), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person or company independent of and not connected with the Company and its connected persons
“Joint Venture”	Hainan Tenengchong Technology Co., Ltd* (海南特能充科技有限公司), a company established in the PRC with limited liability on 15 March 2024
“JV Articles”	the articles of association of the Joint Venture dated 12 March 2024 entered into between Hainan Saftower and Yiheng Tengyu

“Non-motorised Vehicles”	vehicles that are driven by human or animal power and operate on the road, such as bicycles, tricycles and disabled motorized wheelchairs, as well as electric bicycles and other vehicles that are driven by power devices but comply with relevant national standards in terms of, among others, design maximum speed ( $\leq 25\text{km/h}$ ), empty weight ( $\leq 55\text{kg}$ ), power ( $\leq 400\text{W}$ ) and external dimensions
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yiheng Tengyu”	Sichuan Yiheng Tengyu Technology Co., Ltd* (四川羿恒騰宇科技有限公司), a company established in the PRC with limited liability
“%”	per cent

\* for identification purposes only

By order of the Board  
**China Saftower International Holding Group Limited**  
**Dang Fei**  
*Chairman and Executive Director*

Hong Kong, 5 April 2024

*As at the date of this announcement, the executive Directors are Mr. Dang Fei, Mr. Wang Xiaozhong, Ms. Luo Xi, Mr. Li Xia, Ms. Hu Yi and Mr. Wang Yifan and the independent non-executive Directors are Dr. Zuo Xinzhang, Mr. Li Jian and Mr. Ma Kaibing.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.*

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