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Jiyi Holdings Limited
集一控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1495)

**VOLUNTARY ANNOUNCEMENT
STRATEGIC COOPERATION FRAMEWORK AGREEMENT
IN RELATION TO A POSSIBLE ACQUISITION**

The Board is pleased to announce that on 4 May 2022 (after trading hours of the Stock Exchange), the Company has entered into the Strategic Cooperation Framework Agreement with the Potential Vendor and in relation to the Possible Acquisition of 100% equity interest of the Target Company.

Shareholders and potential investors of the Company should be aware that the terms of the Possible Acquisition are subject to further negotiation among the parties to the Strategic Cooperation Framework Agreement and are subject to the parties entering into the Formal Agreement. As the Possible Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If the Formal Agreement is entered into and the Possible Acquisition materialises, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

This announcement is published on a voluntary basis to keep the shareholders and potential investors of the Company informed of the business development of the Company.

The Board is pleased to announce that on 4 May 2022 (after trading hours of the Stock Exchange), the Company has entered into the Strategic Cooperation Framework Agreement with the Potential Vendor in relation to the Possible Acquisition of 100% equity interest of the Target Company.

THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

Set out below the principal terms of the Strategic Cooperation Framework Agreement:

Date: 4 May 2022

Parties: (1) Jiyi Holdings Limited as the purchaser;

(2) Sinosat Asia Trading Co., Limited (中星亞洲貿易有限公司) as the Target Company; and

(3) Mr. Renfei Shi as the Potential Vendor.

As at the date of this announcement, the Target Company is established in Hong Kong with limited liability, and it is principally engaged in providing full process of international bulk commodity solutions. The Potential Vendor, being the sole legal and beneficial shareholder of the Target Company, has over 20 years' experience in the entire business chain of non-ferrous metal bulk commodity. The Potential Vendor maintains close cooperation with well-known domestic and international enterprises which are Top-500 enterprises worldwide as well as state-owned enterprises in the PRC. The Domestic Enterprise owned by the Potential Vendor and the Target Company are the innovative frontier enterprises with a ten billion-level business scale in the field of bulk commodity trading in mainland China, widely recognized and supported by banks, governments and major customers.

Subject Matter

Under the Strategic Cooperation Framework Agreement, it is proposed that the Company will acquire and the Potential Vendor will sell 100% equity interest of the Target Company, subject to the terms and conditions of the Formal Agreement (the “**Possible Acquisition**”). To the best of the Director’s knowledge, information and belief having made all reasonable enquiry, the Potential Vendor is a third party independent of and not connected with the Group and its connected persons (as defined in the Listing Rules).

Consideration

The consideration for the Possible Acquisition will be subject to further negotiation between the parties to the Strategic Cooperation Framework Agreement based on the valuation of the Target Company to be conducted by an independent professional valuer.

The consideration for the Possible Acquisition shall be settled by cash and/or procuring the Company to allot and issue new Shares or such other methods to be agreed between the parties to the Strategic Cooperation Framework Agreement.

Due diligence review

The Company will conduct the due diligence review on the assets, indebtedness, operation and other aspect of the Target Company as it may consider appropriate and the Potential Vendor shall provide such assistance as the Company may require in connection with such review.

Non-legally binding effect

The Strategic Cooperation Framework Agreement is a framework agreement and does not constitute a legally-binding commitment between the parties. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

Reasons for and benefit of the Possible Acquisition

The Group is principally engaged in the business of sale and distribution of merchandise, and provision of interior design and engineering services in the PRC.

As disclosed in the Company's annual report for the year ended 31 December 2021, the Company has been actively looking for new investment opportunities to enhance the Company's profitability and the return of the Shareholders. The announcement of the "14th Five Year Plan", which emphasizes a commitment to the "dual circulation" concept for economic development, will go a long way toward improving market supply and demand in the domestic markets in China as well as the business environment. Therefore, the Company intends to increase its investments in the development of the business segment of sale and distribution of merchandise of the Group by acquiring the Target Company with established management in the bulk commodity trading and raw material supply industries (in particular in the new energy sector such as electrolytic copper and aluminum ingots), which are expected to improve the profitability and/or further develop the revenue streams of the business segment of sale and distribution of merchandise for the Company.

In view of the above, the Directors, (including all independent non-executive directors) considers that the terms and conditions of the Strategic Cooperation Framework Agreement are fair and reasonable, and the Proposed Acquisition is in the overall interest of the Company and Shareholders.

If the Formal Agreement is entered into and the Possible Acquisition materialises, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition has been entered into by the parties as at the date of this announcement. The entering into of the Formal Agreement, if it materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company should the Formal Agreement has been entered into.

As the Formal Agreement in respect of the Possible Acquisition may or may not be entered into, investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Jiyi Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Directors(s)”	director(s) of the Company
“Domestic Enterprise”	Shenzhen Zhongjing Tengye Technology Co., Ltd.* (深圳中京騰業科技有限公司), a company incorporated in Shenzhen, Guangdong Province, China with limited liability. The Target Company and the Potential Vendor owns 20% and 80% of the equity interests of the Domestic Enterprise, respectively
“Formal Agreement”	the definitive agreement in connection with the Possible Acquisition, which is subject to, among other things, the negotiation, finalization and execution of the parties to the Strategic Cooperation Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Acquisition”	the possible acquisition to be carried out by the Company as contemplated under the Strategic Cooperation Framework Agreement and is subject to the execution and completion of the Formal Agreement
“Potential Vendor”	Mr. Renfei Shi (石仁飛), the sole shareholder and director of the Target Company, the controlling shareholder of the Domestic Enterprise

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Framework Agreement”	the non-legally binding Strategic Cooperation Framework Agreement dated 4 May 2022 entered into between the Potential Vendor, the Target Company and the Company setting out the preliminary understanding in relation to the Possible Acquisition
“Target Company”	Sinosat Asia Trading Co., Limited (中星亞洲貿易有限公司), a company incorporated in Hong Kong with limited liability
“%”	Percent

By order of the Board
Jiyi Holdings Limited
Hou Wei
Chairlady

Hong Kong, 4 May 2022

As at the date of this announcement, Ms. Hou Wei, Mr. Liu Xianxiu and Mr. Yang Baikang are the executive directors of the Company, Mr. Hou Bo is the non-executive director of the Company, and Mr. Ye Yihui, Mr. Ho Hin Yip and Mr. Hou Lianchang are the independent non-executive directors of the Company.

* *For identification purpose only*