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If you have sold or transferred all your shares in **United Strength Power Holdings Limited** (眾誠能源控股有限公司), you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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UNITED STRENGTH POWER HOLDINGS LIMITED

眾誠能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2337)

CONNECTED TRANSACTION

**THE LOAN AGREEMENT AND
FINANCIAL ASSISTANCE BY WAY OF PLEDGE TO
CHANGCHUN YITONGHE**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Innovax Capital Limited

A letter from the Board is set out on pages 7 to 13 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 23 of this circular.

31 May 2024

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	7
Letter from the Independent Board Committee	14
Letter from the Independent Financial Adviser	16
Appendix I – General Information	24

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the entire issued share capital of Eternal Global pursuant to the Sale and Purchase Agreement. For details of the Acquisition, please refer to the RTO Circular
“Acquisition Completion”	completion of the Acquisition pursuant to the terms of the Sale and Purchase Agreement
“Announcement”	the announcement of the Company dated 9 May 2024 in relation to the Loan Agreement and the Pledge
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Changchun Yitonghe”	Changchun Yitonghe Petroleum Distribution Company Limited (長春伊通河石油經銷有限公司), a limited liability company established under the laws of PRC on 7 April 1997, which was owned as to 60.90% by Mr. Zhao, 12.34% by Ms. Xu, 8.23% by Mr. Liu, 0.82% by Mr. Wang Qingguo (王慶國先生), 7.63% by Changchun Rundeshidai Investment Consulting Centre (Limited Partnership)* (長春潤德時代投資諮詢中心(有限合夥)), 6.30% by Changchun Shenglongshidai Investment Consulting Centre (Limited Partnership)* (長春盛隆時代投資諮詢中心(有限合夥)), and 3.78% by Changchun Huizhongshidai Investment Consulting Centre (Limited Partnership)* (長春滙眾時代投資諮詢中心(有限合夥)) as at the Latest Practicable Date
“Company”	United Strength Power Holdings Limited (眾誠能源控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2337)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company

DEFINITIONS

“Enlarged Group”	the Group and the Target Group following Acquisition Completion. For details of the Enlarged Group, please refer to the RTO Circular
“Entrusted Management Agreement”	the agreement dated 26 June 2020 and entered into between WFOE as operating party and Changchun Yitonghe as entrusting party pursuant to which Changchun Yitonghe granting the WFOE Group the right to operate and manage the Entrusted Petroleum Refuelling Stations, the Entrusted Petroleum Storage Facility and use all assets, property, land and equipment necessary for such operation and management. For details of the Entrusted Management Agreement, please refer to the RTO Circular
“Entrusted Petroleum Refuelling Stations”	the petroleum refuelling stations owned by Changchun Yitonghe, the subject petroleum refuelling stations under the Entrusted Management Agreement. For details of the Entrusted Petroleum Refuelling Stations, please refer to the RTO Circular
“Entrusted Petroleum Storage Facility”	the petroleum storage facility owned by Changchun Yitonghe, the subject petroleum storage facility under the Entrusted Management Agreement. For details of the Entrusted Petroleum Storage Facility, please refer to the RTO Circular
“Eternal Global” or “Target Company”	Eternal Global Investments Limited (恆永環球投資有限公司), a company incorporated in the BVI on 8 November 2018 with limited liability, a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IBCC”	Industrial Bank Co., Ltd. Changchun Branch (興業銀行股份有限公司長春分行), a limited liability company incorporated in the PRC, a subsidiary of Industrial Bank
“IBHK”	Industrial Bank Co., Ltd. Hong Kong Branch (興業銀行股份有限公司香港分行), a limited liability company incorporated in Hong Kong, a subsidiary of Industrial Bank

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board formed to consider the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder
“Independent Financial Adviser”	Innovax Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder
“Independent Shareholder(s)”	shareholders of the Company other than those who have material interests in the connected transaction
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Industrial Bank”	Industrial Bank Co., Ltd, a company incorporated in the PRC with limited liability, the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 601166)
“Jilin Haotuo”	Jilin Province Haotuo Petroleum Development and Usage Company Limited* (吉林省昊拓石油開發利用有限公司), a limited liability company established under the laws of PRC on 1 December 2010, an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	29 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Loan Agreement”	the loan agreement dated 24 October 2023 entered into between Changchun Yitonghe as borrower and IBHK as lender, pursuant to which IBHK agreed to grant the loan in the amount up to RMB130 million on the condition that a corporate guarantee would be given by Changchun Yitonghe and the pledge of certain assets of the Group to secure the repayment obligation of the Loan Agreement
“Loan Facility”	the loan facility in the amount up to RMB330 million granted by IBCC to Changchun Yitonghe and the Group
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Mr. Liu”	Mr. Liu Yingwu (劉英武先生), a substantial Shareholder and an executive Director
“Mr. Zhao”	Mr. Zhao Jinmin (趙金岷先生), a Controlling Shareholder of the Company and an executive Director, chief executive officer and the Chairman of the Board
“Ms. Xu”	Ms. Xu Hang (徐航女士), a substantial Shareholder
“Petroleum Refuelling Business”	the business of the operation and management of petroleum refuelling stations, including self-owned petroleum refuelling stations, Entrusted Petroleum Refuelling Stations and Former Entrusted Petroleum Refuelling Stations. For details of the Petroleum Refuelling Business, please refer to the RTO Circular
“Petroleum Wholesale Business”	the business of the operation and management of petroleum storage facilities, including self-owned petroleum storage facilities and Entrusted Petroleum Storage Facility. For details of the Petroleum Wholesale Business, please refer to the RTO Circular
“Pledge”	the pledge entered into between Jilin Haotuo as chargor and IBCC as chargee with effect from 17 October 2023, pursuant to which Jilin Haotuo has agreed to pledge its right over the Pledged Properties

DEFINITIONS

“Pledged Properties”	two real properties in the total value of approximately RMB27,426,000 owned by Jilin Haotuo, situated at (i) 綠園區西四環油氣站站房 with a gross area of 5,524 square metre and property construction area of 284.64 square metre; and (ii) 綠園區長春景陽加油站站房 with a gross area of 2,230 square metre and property construction area of 144.96 square metre
“PRC”	the People’s Republic of China, which for the purposes of this circular, shall not include Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“RTO Circular”	the circular of the Company dated 30 June 2020 in respect of a very substantial acquisition and connected transaction
“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 September 2019 entered into between the Company as purchaser, and Propitious Peak Limited, Immense Ocean Ventures Limited, Amber Heyday Limited, Triumphal Diligent Limited and Harvest Day Global Limited, as Vendors, and Mr. Zhao, Ms. Xu, Mr. Liu and Mr. Wang Qingguo as the guarantors and Mr. Zhang Guoguang in respect of the Acquisition (and as supplemented by the supplemental agreements dated 28 February 2020 and 26 June 2020 entered into between the same parties). For details of the Sale and Purchase Agreement, please refer to the RTO Circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Business”	Petroleum Refuelling Business and Petroleum Wholesale Business and the related transportation business. For details of the Target Business, please refer to the RTO Circular
“Target Group”	collectively, the Target Company and its subsidiaries (and where the contexts so require, the business under the Entrusted Arrangement and the Business Agreements as referred to in the RTO Circular). For details of the Target Group, please refer to the RTO Circular
“US\$”, “USD” or “US dollars”	United States dollars, the lawful currency of the United States
“WFOE”	Changchun United Strength Power Company Limited* (長春眾誠能源有限公司), a limited liability company established under the laws of PRC on 6 November 2018 with limited liabilities, an indirect wholly-owned subsidiary of the Company
“%”	per cent.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this circular for identification purpose only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails. English translation of company names in Chinese or another language which are marked with “” are for identification purpose only.*

The English language version of this circular has been translated into the Chinese language and English and Chinese versions of this circular are being published separately. If there should be any inconsistency between the English and Chinese versions, the English version shall prevail.

LETTER FROM THE BOARD



UNITED STRENGTH POWER HOLDINGS LIMITED

眾誠能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2337)

Executive Directors:

Mr. Zhao Jinmin *(Chairman and Chief Executive Officer)*

Mr. Liu Yingwu

Mr. Ma Haidong

Mr. Wang Zhiwei

Independent Non-executive Directors:

Ms. Su Dan

Mr. Lau Ying Kit

Mr. Zhang Zhifeng

Registered Office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place

of Business in the PRC:

No. 2101, Unit 1

Block 23, Zone G

Solana 2, Erdao District

Changchun

Jilin Province, the PRC

Principal Place

of Business in Hong Kong:

Level 24

The Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

31 May 2024

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

**THE LOAN AGREEMENT AND
FINANCIAL ASSISTANCE BY WAY OF PLEDGE TO
CHANGCHUN YITONGHE**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information in respect of, among other matters, the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Reference is made to the Announcement. In October 2023, Changchun Yitonghe and the Group secured the Loan Facility from IBCC in the amount up to RMB330 million. The Loan Facility in the amount of RMB330 million, of which an aggregate amount of RMB150 million was borrowed under financing agreements entered into between a few members of the Group and IBCC, with corporate guarantee provided by Changchun Yitonghe. Remaining amount of approximately RMB180 million was borrowed as to approximately RMB65 million was and will be used for the issuance of letter of credit by IBCC. On 24 October 2023, Changchun Yitonghe as borrower entered into the Loan Agreement with IBHK as lender, pursuant to which IBHK agreed to grant the loan in the amount up to RMB130 million on the condition that a corporate guarantee would be given by Changchun Yitonghe and the pledge of certain assets of the Group to secure the repayment obligation of the Loan Agreement.

Jilin Haotuo as chargor and IBCC as chargee entered into the Pledge with effect from 17 October 2023, pursuant to which Jilin Haotuo has agreed to pledge to IBCC its right over the Pledged Properties. The Pledge was given by Jilin Haotuo in favour of IBCC as security for the Loan Agreement.

THE LOAN AGREEMENT

Principal terms of the Loan Agreement are set out as follows:

Date:	24 October 2023
Parties:	Changchun Yitonghe (as borrower) IBHK (as lender)
Type of loan facility:	Revolving
Repayment term:	One year, subject to extension as may be approved by IBHK
Interest rate:	Hong Kong Interbank Offered Rate plus 0.7%
Amount of loan facility in the Loan Agreement:	Not more than HK\$130 million or its equivalent in USD or RMB
Usage/application of the loan facility:	Changchun Yitonghe shall apply the proceeds of the loan to (i) working capital for the purchase of refined oil (including the refined oil products procured by the Group), and/or (ii) repay any loan carrying interest and any debt financing instrument

LETTER FROM THE BOARD

THE PLEDGE

Principal terms of the Pledge are set out as follows:

Effective date of the Pledge:	17 October 2023
Parties:	Jilin Haotuo (as chargor) IBCC (as chargee)
Value of the Pledge:	Jilin Haotuo has agreed to pledge its rights over the Pledged Properties owned by Jilin Haotuo
Duration of the Pledge:	One year
Nature and amount of the liabilities being secured by the Pledge:	All amount due under the Loan Agreement

The financial assistance provided by Jilin Haotuo is limited to the value of the Pledged Properties. Other than the Pledged Properties, IBCC does not have any option to pursue a claim against the Group for any default of the Loan Agreement. IBCC shall not claim Jilin Haotuo for any loss or outstanding liabilities under the Pledge, other than enforcement of the Pledged Properties, and none of the properties held by Jilin Haotuo other than the Pledged Properties will be encumbered or enforced by IBCC.

REASONS FOR AND BENEFITS OF ARRANGEMENT PURSUANT TO THE LOAN AGREEMENT AND THE PROVISION OF FINANCIAL ASSISTANCE

Reference is made to the announcement of the Company dated 18 September 2019 and the RTO Circular in respect of the very substantial acquisition and connected transaction. As disclosed in the RTO Circular, the Sale and Purchase Agreement was entered into for the purposes of acquisition of the entire issued share capital of the Target Company by the Company.

The Target Business comprised the Petroleum Refuelling Business and the Petroleum Wholesale Business including principally the ownership of certain petroleum refuelling stations and petroleum storage facilities, the operation and management rights through Entrusted Petroleum Refuelling Stations and Entrusted Petroleum Storage Facility pursuant to the Entrusted Management Agreement, and the related transportation services.

Upon the Acquisition Completion, the Enlarged Group has been operating and managing the Entrusted Petroleum Refuelling Stations and the Entrusted Petroleum Storage Facility owned by Changchun Yitonghe and using all assets, land use right and equipment necessary for such operation and management. Other than operation and management of the Entrusted Petroleum Refuelling Stations and the Entrusted Petroleum Storage Facility and payment of the entrustment fees, the Group's primary day-to-day

LETTER FROM THE BOARD

obligations under the entrustment agreements were to operate the facilities at the relevant stations and the storage facility.

Although the Entrusted Management Agreement has the form of entrustment arrangements and the Target Group would not own the Entrusted Petroleum Refuelling Stations and Entrusted Petroleum Storage Facility, in substance, the Target Group has been operating the Target Business and has the full right to all its revenue as if it owns the Entrusted Petroleum Refuelling Stations and the Entrusted Petroleum Storage Facility.

Notwithstanding the entrustment arrangement under the Entrusted Management Agreement, Changchun Yitonghe has been holding the ownership or right-of-use of assets of the Entrusted Petroleum Refuelling Stations and the Entrusted Petroleum Storage Facility.

For the purposes of running the Target Business and the business of the Group, Changchun Yitonghe has been providing financial assistance to the Group in a preferential manner.

Due to the global market liquidity issue, Changchun Yitonghe and the Group started to seek alternative financing arrangement in early 2023. After a few months' negotiation, Changchun Yitonghe and the Group secured a loan from IBCC, which granted the Loan Facility in the amount up to RMB330,000,000 on the condition that a corporate guarantee would be given by Changchun Yitonghe and a pledge of the Group's assets to secure the repayment obligation pursuant to the Loan Agreement.

The Pledged Properties were pledged by Jilin Haotuo in favour of the IBCC with effect from 17 October 2023 as security for the Loan Agreement. Although the Pledged Properties are pledged as security for the Loan Agreement, the maximum exposure of the Group to the Loan Facility is only equal to the value of the Pledged Properties in the amount of approximately RMB27,426,000.

As the proceeds from the Loan Agreement were used to settle the purchase of refined oil for operation of petroleum refuelling stations and petroleum storage facilities owned by Changchun Yitonghe and operated by the Group according to the Entrusted Management Agreement, the Company considers that giving the Pledge to secure a loan used for its business is reasonable. In addition, the Company also considers that the arrangement is in the interest of the Company given that the risk for repayment lies on Changchun Yitonghe and the value of the assets subject to the Pledge is far less than the amount of the proceeds of the Loan Agreement used by the Group.

INFORMATION ON THE PARTIES

The Group

The principal business of the Group is the sale of refined oil products to vehicular end-users by operating petroleum refuelling stations, operation of CNG, LNG and LPG refuelling stations and mixed refuelling stations which sell CNG and LNG and provision of petroleum and gas transportation services in Jilin, Liaoning and Heilongjiang Provinces. The Group is also engaged in the operation and management of petroleum and gas transportation services in Jilin Province of the PRC through its operating subsidiaries in the PRC.

LETTER FROM THE BOARD

Jilin Haotuo is a limited liability company established under the laws of PRC and an indirect wholly-owned subsidiary of the Company, principally engaged in the Petroleum Refuelling Business.

Changchun Yitonghe

Changchun Yitonghe and its subsidiaries are principally engaged in petroleum exploitation and refining, upstream petroleum supplies and research and development of petroleum products.

Based on publicly available information, Changchun Yitonghe is owned as to approximately 60.90% by Mr. Zhao, as to approximately 12.34% by Ms. Xu, as to approximately 8.23% by Mr. Liu, as to approximately 0.82% by Mr. Wang Qingguo, as to approximately 7.63% by Changchun Rundeshidai Investment Consulting Centre (Limited Partnership)* (長春潤德時代投資諮詢中心(有限合夥)), as to approximately 6.30% by Changchun Shenglongshidai Investment Consulting Centre (Limited Partnership)* (長春盛隆時代投資諮詢中心(有限合夥)), and as to approximately 3.78% by Changchun Huizhongshidai Investment Consulting Centre (Limited Partnership)* (長春滙眾時代投資諮詢中心(有限合夥)) as at the Latest Practicable Date.

Industrial Bank

Industrial Bank is company incorporated in the PRC with limited liability. Industrial Bank and its subsidiaries are principally engaged in the commercial banking business which provides services including trust, financial lease, funds, futures, asset management, consumer finance, research and consulting, and digital finance. Industrial Bank is listed on the Shanghai Stock Exchange (stock code: 601166). Industrial Bank is the wholly owned parent company of IBCC and IBHK.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Industrial Bank and their ultimate beneficial owner(s) are third parties independent from each of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Mr. Zhao, one of the Controlling Shareholders, owned more than 30% of the registered capital in Changchun Yitonghe. Hence, Changchun Yitonghe is regarded as an associate of Mr. Zhao, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the provision of the Pledge to IBCC as security pursuant to the Loan Agreement constitutes a financial assistance to be provided by the Group to a connected person and thus a connected transaction of the Company in accordance with Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the financial assistance for settlement of the purchase of refined oil for operation of petroleum refuelling stations and petroleum storage facilities owned by Changchun Yitonghe and operated by the Group according to the Entrusted Management Agreement through the arrangement

LETTER FROM THE BOARD

pursuant to the Loan Agreement exceeds 5%, such arrangement constituted a non-exempt connected transaction of the Company and was therefore subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Pledge is more than 0.1% but does not exceed 5%, the provision of the Pledge to IBCC as security for the pursuant to the Loan Agreement constituted a non-exempt connected transaction of the Company and was therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules. The Company had omitted to comply with the above requirements and failed to obtain necessary Independent Shareholders' approval when the same was conducted in October 2023.

Considering that the proceeds under the Loan Agreement have been applied by the Group through Changchun Yitonghe for procurement of refined oil products, no Shareholders' meeting will be convened to approve, confirm and/or rectify the arrangement pursuant to the Loan Agreement and the Pledge. Save for Mr. Zhao being a Controlling Shareholder and Mr. Liu being a substantial Shareholder of the Company, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the arrangement pursuant to the Loan Agreement and the Pledge. Mr. Zhao and Mr. Liu have abstained from voting on the board resolutions to approve the arrangement pursuant to the Loan Agreement and the Pledge.

This circular is being despatched to the Shareholders for information only. The Independent Board Committee has been established to, among others, advise the Independent Shareholders on the connected transaction contemplated in respect of the above arrangement pursuant to the Loan Agreement and the provision of the Pledge. The Company has appointed Innovax Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

REASONS FOR THE NON-COMPLIANCE OF THE LISTING RULES

Given the proceeds of the Loan Agreement were used by the Group, the Company was not aware of such technical non-compliance until recently in the course of preparing the Group's consolidated financial statements for the financial year ended 31 December 2023. As soon as the Company discovered the provision of the Pledge and the transaction contemplated thereunder, the Company immediately sought assistance from its legal advisers as to the disclosure obligations.

The Directors reiterated that they have no intention for such non-compliance and the non-compliance was solely due to the reasons as stated above, and would also like to stress that legal and regulatory compliance has long been an important culture of the Group and that it has always treated compliance with the Listing Rules as a top priority. The Group has been maintaining regular communications with, and seeking advice from, its professional advisers since the Listing on different aspects of Listing Rules compliance, but has unfortunately and regrettably not done so on this single occasion on a timely basis.

LETTER FROM THE BOARD

REMEDIAL MEASURES

To prevent the occurrence of similar non-compliance incident in the future, the Company will implement the following measures:

1. its internal control policy and system on connected transactions will be further enhanced to strengthen its supervision on compliance with Chapter 14A of the Listing Rules;
2. an internal training session will be conducted as soon as practicable to explain the relevant Listing Rules requirements for connected transactions; and
3. it will seek external legal and other professional advice as to any transaction which proposes to enter into in the future, in particular to those relating to connected transactions.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders; and (ii) the letter from Innovax Capital Limited set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders, as well as the principal factors and reasons taken into account by Innovax Capital Limited in arriving at its advice. The Directors believe that the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder are fair and reasonable as well as in line with the interests of the Company and its Shareholders as a whole.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other material matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
UNITED STRENGTH POWER HOLDINGS LIMITED
Mr. Zhao Jinmin
Chairman and chief executive officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the Loan Agreement and the Pledge and the transactions contemplated thereunder.



UNITED STRENGTH POWER HOLDINGS LIMITED

眾誠能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2337)

31 May 2024

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

THE LOAN AGREEMENT AND FINANCIAL ASSISTANCE BY WAY OF PLEDGE TO CHANGCHUN YITONGHE

We refer to the circular of the Company dated 31 May 2024 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to consider and advise you as to whether, in our opinion, the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder (details of which are set out in the letter from the Board) is fair and reasonable so far as the Independent Shareholders are concerned.

Innovax Capital Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder. Details of the advice from Innovax Capital Limited, together with the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 16 to 23 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 7 to 13 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the detailed information of the Loan Agreement and the Pledge and the transactions contemplated thereunder, the interests of the Independent Shareholders and the advice of Independent Financial Adviser, we are of the opinion that the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder are fair and reasonable as well as in line with the interests of the Company and its Shareholders as a whole.

Yours faithfully,

Ms. Su Dan

Mr. Lau Ying Kit
Independent Board Committee

Mr. Zhang Zhifeng

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

31 May 2024

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

CONNECTED TRANSACTION

THE LOAN AGREEMENT AND FINANCIAL ASSISTANCE BY WAY OF PLEDGE TO CHANGCHUN YITONGHE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) issued by the Company to the Shareholders dated 31 May 2024, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 9 May 2024. In October 2023, Changchun Yitonghe and the Group secured the Loan Facility from IBCC in the amount up to RMB330 million. The Loan Facility in the amount of RMB330 million, of which an aggregate amount of RMB150 million was borrowed under financing agreements entered into between a few members of the Group and IBCC, with corporate guarantee provided by Changchun Yitonghe. Remaining amount of approximately RMB180 million was borrowed as to approximately RMB65 million which was and will be used for the issuance of letter of credit by IBCC. On 24 October 2023, Changchun Yitonghe as borrower entered into the Loan Agreement with IBHK as lender, pursuant to which IBHK agreed to grant the loan in the amount up to RMB130 million on the condition that a corporate guarantee would be given by Changchun Yitonghe and the pledge of certain assets of the Group to secure the repayment obligation of the Loan Agreement. Jilin Haotuo as chargor and IBCC as chargee entered into the Pledge with effect from 17 October 2023, pursuant to which Jilin Haotuo has agreed to pledge to IBCC its right over the Pledged Properties. The Pledge was given by Jilin Haotuo in favour of IBCC as security for the Loan Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Zhao, one of the Controlling Shareholders, owned more than 30% of the registered capital in Changchun Yitonghe. Hence, Changchun Yitonghe is regarded as an associate of Mr. Zhao, and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of the Pledge to IBCC as security pursuant to the Loan Agreement constitutes a financial assistance provided by the Group to a connected person and thus a connected transaction of the Company in accordance with Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the financial assistance for settlement of the purchase of refined oil for operation of petroleum refuelling stations and petroleum storage facilities owned by Changchun Yitonghe and operated by the Group according to the Entrusted Management Agreement through the arrangement pursuant to the Loan Agreement exceeds 5%, such arrangement constituted a non-exempt connected transaction of the Company and was therefore subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratio (other than the profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Pledge is more than 0.1% but does not exceed 5%, the provision of the Pledge to IBCC as security pursuant to the Loan Agreement constituted a non-exempt connected transaction of the Company and was therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules. The Company had omitted to comply with the above requirements and failed to obtain necessary Independent Shareholders' approval when the same was conducted in October 2023.

Considering that the proceeds under the Loan Agreement have been applied by the Group through Changchun Yitonghe for procurement of refined oil products, no Shareholders' meeting will be convened to approve, confirm and/or rectify the arrangement pursuant to the Loan Agreement and the Pledge. Save for Mr. Zhao being a Controlling Shareholder and Mr. Liu being a substantial Shareholder of the Company, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the arrangement pursuant to the Loan Agreement and the Pledge. Mr. Zhao and Mr. Liu have abstained from voting on the board resolutions to approve the arrangement pursuant to the Loan Agreement and the Pledge.

The Independent Board Committee comprising all three independent non-executive Directors, namely Ms. Su Dan, Mr Lau Ying Kit and Mr. Zhang Zhifeng, has been established to advise the Independent Shareholders in respect of the Loan Agreement and the Pledge and the transactions contemplated thereunder.

We, Innovax Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the arrangement pursuant to the Loan Agreement and the Pledge and the transactions contemplated thereunder. As at the Latest Practicable Date, we did not have any relationships with or interests in the Company and Changchun Yitonghe or any of their respective ultimate beneficial owners which could reasonable be regarded as relevant to our independence. We have not previously acted as the financial adviser or independent financial adviser to the Company. Apart from the normal advisory

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

fee paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the aforesaid companies. As at the Latest Practicable Date, we were not connected with the Directors, chief executive and substantial Shareholders of the Company or any of their respective subsidiaries or associates. Therefore, we consider ourselves suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the Loan Agreement and the Pledge and the transactions contemplated thereunder pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on, among other things, (i) the information and facts contained or referred to in the Circular; (ii) the information provided by the Company; and (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”).

We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular 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 the Circular misleading. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position, financial forecast or future prospects of the Group.

We consider that we have reviewed sufficient information currently available to reach an informed view, to justify our reliance on the accuracy of the information contained in this Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in this Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management and its representatives.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

1. Information of the Group

Business of the Group

The principal business of the Group is the sale of refined oil products to vehicular end-users by operating petroleum refuelling stations, operation of CNG, LNG and LPG refuelling stations and mixed refuelling stations which sell CNG and LNG and provision of petroleum and gas transportation services in Jilin, Liaoning and Heilongjiang Provinces. The Group is also engaged in the operation and management of petroleum and gas transportation services in Jilin Province of the PRC through its operating subsidiaries in the PRC.

Financial information of the Group

The table below summarises financial information of the Group for the years ended 31 December 2021 (“FY2021”), 2022 (“FY2022”) and 2023 (“FY2023”) as extracted from the annual report for the year ended 31 December 2022 (the “2022 Annual Report”) and the annual report for the year ended 31 December 2023 (the “2023 Annual Report”) of the Company.

	For the year ended/as at		
	31 December		
	2023	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	7,346,895	6,089,366	5,830,081
– Sales of refined oil and natural gas	7,278,898	6,031,596	5,774,576
– Others	67,997	57,770	55,505
Gross profit	422,263	393,102	612,724
Net profit for the year	43,304	18,951	181,924
Total assets	1,914,596	1,555,454	1,544,375
Total liabilities	1,402,489	1,087,830	1,095,714
Net assets	512,107	467,624	448,661

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the 2023 Annual Report, the Group's revenue increased by approximately 20.7% in FY2023. Such increase in revenue was mainly attributable to the Group's sales of refined oil and natural gas, which recorded an increase of approximately 20.7% from approximately RMB6,031.6 million for FY2022 to approximately RMB7,278.9 million for FY2023, mainly due to the increase in market demand of petroleum products following the post-COVID normalisation of economic activities in Northeastern China during 2023. The increase in gross profit and net profit for the year were mainly attributable to the increase in revenue.

According to the 2022 Annual Report, the Group's revenue increased by approximately 4.4% in FY2022. Such increase in revenue was also mainly attributable to the Group's sales of refined oil and natural gas, which recorded an increase of approximately 4.4% from approximately RMB5,774.6 million for FY2021 to approximately RMB6,031.6 million for FY2022, mainly due to the increase in oil prices primarily as a result of the outbreak of the Russia-Ukraine conflict and the Fed's aggressive interest rate hike, triggering the fears of economic recession. Such effect was partially offset by the decrease in sales volume of the Group's refined oil and natural gas, mainly due to the interruption of economic activities in the Northeastern China brought by COVID-19 pandemic in particular, the Omicron variant during 2022. The decrease in gross profit was mainly attributable to (1) the decrease in gross profit margin primarily as a result of (i) the increase in unit cost of procurement of the Group's products; and (ii) the increase in wholesales of refined oil products with lower gross profit margin which contributed higher proportion of the Group's total revenue in 2022; and (2) the decrease in sales volume. Such decrease in gross profit had led to a decrease in net profit for the year.

As at 31 December 2023, 2022 and 2021, the Group's total assets were mainly property, plant and equipment and prepayments, deposits and other receivables while total liabilities were mainly bank and other loans, accrued expenses, other payables and contract liabilities, and lease liabilities. The Group's net assets as at each of the year end dates remained relatively stable.

2. Information of Jilin Haotuo and other parties

Jilin Haotuo, the chargor

Jilin Haotuo is a limited liability company established under the laws of PRC on 1 December 2010, an indirect wholly-owned subsidiary of the Company. The Pledged Properties are owned by Jilin Haotuo, being two real properties in the total value of approximately RMB27,426,000, situated at (i) 綠園區西四環油氣站站房 with a gross area of 5,524 square metre and property construction area of 284.64 square metre; and (ii) 綠園區長春景陽加油站站房 with a gross area of 2,230 square metre and property construction area of 144.96 square metre.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Changchun Yitonghe, the borrower

As set out in the Letter from the Board, Changchun Yitonghe and its subsidiaries are principally engaged in petroleum exploitation and refining, upstream petroleum supplies and research and development of petroleum products. Based on publicly available information, Changchun Yitonghe is owned as to approximately 60.90% by Mr. Zhao, as to approximately 12.34% by Ms. Xu, as to approximately 8.23% by Mr. Liu, as to approximately 0.82% by Mr. Wang Qingguo, as to approximately 7.63% by Changchun Rundeshidai Investment Consulting Centre (Limited Partnership)* (長春潤德時代投資諮詢中心(有限合夥)), as to approximately 6.30% by Changchun Shenglongshidai Investment Consulting Centre (Limited Partnership)* (長春盛隆時代投資諮詢中心(有限合夥)), and as to approximately 3.78% by Changchun Huizhongshidai Investment Consulting Centre (Limited Partnership)* (長春滙眾時代投資諮詢中心(有限合夥)) as at the Latest Practicable Date.

Industrial Bank, IBCC and IBHK, the lender and chargee

Industrial Bank and its subsidiaries are principally engaged in the commercial banking business which provides services including trust, financial lease, funds, futures, asset management, consumer finance, research and consulting, and digital finance. Industrial Bank is listed on the Shanghai Stock Exchange (stock code: 601166). Industrial Bank is the wholly owned parent company of IBCC and IBHK. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Industrial Bank and their ultimate beneficial owner(s) are third parties independent from each of the Company and its connected persons.

3. Principal terms of the Loan Agreement

Set out below are the principal terms of the Loan Agreement.

Date:	24 October 2023
Parties:	Changchun Yitonghe (as borrower) IBHK (as lender)
Type of loan facility:	Revolving
Repayment term:	One year, subject to extension as may be approved by the Industrial Bank
Interest rate:	Hong Kong Interbank Offered Rate plus 0.7%
Amount of loan facility in the Loan Agreement:	Not more than HK\$130 million or its equivalent in USD or RMB

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Usage/application of the loan facility: Changchun Yitonghe shall apply the proceeds of the loan to (i) working capital for the purchase of refined oil (including the refined oil products procured by the Group), and/or (ii) repay any loan carrying interest and any debt financing instrument

4. Principal terms of the Pledge

Set out below are the principal terms of the Pledge.

Effective date of the Pledge:	17 October 2023
Parties:	Jilin Haotuo (as chargor) IBCC (as chargee)
Value of the Pledge:	Jilin Haotuo has agreed to pledge its right over the Pledged Properties owned by Jilin Haotuo
Duration of the Pledge:	One year
Nature and amount of liabilities being secured by the Pledge:	All amount due under the Loan Agreement

The financial assistance provided by Jilin Haotuo is limited to the value of the Pledged Properties. Other than the Pledged Properties, IBCC does not have any option to pursue a claim against the Group for any default of the Loan Agreement. IBCC shall not claim Jilin Haotuo for any loss or outstanding liabilities under the Pledge, other than enforcement of the Pledged Properties, and none of the properties held by Jilin Haotuo other than the Pledged Properties will be encumbered or enforced by IBCC.

5. Reasons for and benefits of the arrangement pursuant to the Loan Agreement and the provision of financial assistance

As mentioned in the Letter from the Board, the proceeds from the Loan Agreement were used by Changchun Yitonghe to settle the purchase of refined oil for operation of petroleum refuelling stations and petroleum storage facilities owned by Changchun Yitonghe but operated by the Group according to the Entrusted Management Agreement. Pursuant to the FY2023 Annual Report, a subsidiary of Changchun Yitonghe was one of the top five suppliers of the Group and the Group's purchase of petroleum from them amounted to approximately RMB2,581.8 million for FY2023, representing over approximately 35% of cost of sales of the Group for the same year. Since the supply of petroleum from Changchun Yitonghe or its subsidiary is crucial to the operation of the Group's petroleum

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

refuelling stations, we consider it is reasonable for the Group to provide the Pledge for the Loan Agreement given the proceeds of the which were to settle the purchase of refined oil. Further, through the provision of Pledge, the primary risk for repayment lies on Changchun Yitonghe and the Group had not borne any interest expenses in respect of the Loan Agreement nor any fee or commission for the provision of Pledge.

We also understand from the Management of the Company that before entering into the Loan Agreement and the provision of Pledge, the Changchun Yitonghe and the Company had considered other fund-raising alternatives, including debt and equity financing. As compared to equity financing, the Management of the Company were of the view that debt financing enables Changchun Yitonghe and the Group to raise fund without incurring a dilution effect to the shareholder interests of respective existing shareholders. For debt financing, Changchun Yitonghe and the Group had been negotiating with the Industrial Bank for a few months and were of the view the terms of the Loan Agreement offered by the Industrial Bank were fair and reasonable given the Industrial Bank is an established financial institution in the PRC.

Having considered (1) the proceeds from the Loan Agreement were used to purchase refine oil by Changchun Yitonghe for the production of petroleum for the sales of the Group's petroleum refuelling stations; (2) the Loan Agreement and the Pledge were entered into with Industrial Bank which is an established financial institution in the PRC; and (3) the Group had not borne any interest expenses in respect of the Loan Agreement nor any fee or commission for the provision of Pledge, we are of the view that the arrangement pursuant to the Loan Agreement and the Pledge are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

CONCLUSION

Having considered the above principal factors and reasons, we are of the view that, although the arrangement pursuant to the Loan Agreement, the provision of Pledge and the transaction contemplated thereunder were not in the ordinary and usual course of business of the Group, they were in the interest of the Company and the Shareholders as a whole and were on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Yours faithfully,
For and on behalf of
Innovax Capital Limited
Richard, Chu Sai Tak
Managing Director

Note: Mr. Richard Chu is a licensed person under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Innovax Capital Limited. Mr. Richard Chu has over 15 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(i) Interests and short positions of the Directors and chief executives of the Company in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which 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 were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares

Name	Capacity and nature of interest	Number of Shares held	Percentage of the Company’s issued share capital
Mr. Zhao (<i>Note 1</i>)	Interest of controlled corporation	209,829,240	56.03%
Mr. Liu (<i>Note 2</i>)	Interest of controlled corporation	27,287,600	7.29%

Notes:

- The said Shares comprise (i) 138,049,240 Shares held in the name of Golden Truth Holdings Limited (“**Golden Truth**”); and (ii) 71,780,000 Shares held in the name of Propitious Peak Limited (“**Propitious Peak**”). Propitious Peak is wholly owned by Golden Truth which is in turn wholly owned by Mr. Zhao, the chairman and chief executive officer of the Company and an executive Director. By virtue of the SFO, Mr. Zhao is deemed to be interested in the Shares in which Golden Truth and Propitious Peak are interested.
- The said Shares comprise (i) 17,587,600 Shares held in the name of Heroic Year Limited (“**Heroic Year**”); and (ii) 9,700,000 Shares held in the name of Amber Heyday Limited (“**Amber Heyday**”). Amber Heyday is wholly owned by Heroic Year which is in turn wholly owned by Mr. Liu, an executive Director. By virtue of the SFO, Mr. Liu is deemed to be interested in the Shares in which Heroic Year and Amber Heyday are interested.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or deemed to have 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 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(ii) Interests and short positions of persons (other than the Directors and chief executives of the Company) in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of persons (other than the Directors and chief executives of the Company) in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), were as follows:

Long Position in the Shares

Name	Capacity and nature of interest	Number of Shares held	Percentage of the Company's issued share capital
Golden Truth (Note 1)	Beneficial owner	138,049,240	36.86%
	Interest of controlled corporation (Note 2)	71,780,000	19.17%
Propitious Peak (Note 3)	Beneficial owner	71,780,000	19.17%
Ji Yuanyuan (Note 4)	Interest of spouse	209,829,240	56.03%
Dynamic Fame (Note 5)	Beneficial owner	23,381,400	6.24%
	Interest of controlled corporation (Note 6)	14,550,000	3.89%
Xu Hang (Note 7)	Interest of controlled corporation	37,931,400	10.13%
Heroic Year (Note 8)	Beneficial owner	17,587,600	4.70%
	Interest of controlled corporation (Note 9)	9,700,000	2.59%
Ma Dan (Note 10)	Interest of spouse	27,287,600	7.29%

Notes:

- (1) Golden Truth is wholly owned by Mr. Zhao, by virtue of SFO, Mr. Zhao is deemed to be interested in the same parcel of Shares in which Golden Truth is interested.
- (2) These Shares are held in the name of Propitious Peak. Propitious Peak is wholly owned by Golden Truth.
- (3) Propitious Peak is wholly owned by Golden Truth which is in turn wholly owned by Mr. Zhao and accordingly Mr. Zhao is deemed to be interested in these Shares.
- (4) Ji Yuanyuan is the spouse of Mr. Zhao. By virtue of the SFO, Ji Yuanyuan is deemed to be interested in the Shares in which Mr. Zhao is interested.
- (5) Dynamic Fame Global Limited (“**Dynamic Fame**”) is wholly beneficially owned by Ms. Xu Hang (“**Ms. Xu**”). By virtue of SFO, Ms. Xu is deemed to be interested in the same parcel of Shares in which Dynamic Fame is interested.
- (6) These Shares are held in the name of Immense Ocean Ventures Limited (“**Immense Ocean**”). Immense Ocean is wholly owned by Dynamic Fame.
- (7) Dynamic Fame and Immense Ocean are, respectively, directly and indirectly wholly owned by Ms. Xu. By virtue of SFO, Ms. Xu is deemed to be interested in the same parcel of Shares in which Dynamic Fame and Immense Ocean are interested.
- (8) Heroic Year is wholly owned by Mr. Liu, by virtue of SFO, Mr. Liu is deemed to be interested in the same parcel of Shares in which Heroic Year is interested.
- (9) These Shares are held in the name of Amber Heyday. Amber Heyday is wholly owned by Heroic Year.
- (10) Ma Dan is the spouse of Mr. Liu. By virtue of the SFO, Ma Dan is deemed to be interested in the Shares in which Mr. Liu is interested.

Save as disclosed in this circular, so far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, no other person (other than the Directors and chief executives of the Company) had or deemed to have 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 were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO).

3. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

4. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed in the section “Relationship with Controlling Shareholders” in the RTO Circular, none of the Directors or their respective close associates (as if each of them was treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

5. DIRECTORS’ INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up or were proposed to be acquired or disposed of by or leased to any member of the Group; and none of the Directors or their respective associates was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

6. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As far as the Directors were aware, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

8. EXPERT’S QUALIFICATION AND CONSENT

Innovax Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of Innovax Capital Limited who has given its opinions or advices which are contained in this circular:

Name	Qualification
Innovax Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

9. EXPERT'S INTEREST

As at the Latest Practicable Date, Innovax Capital Limited did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group since 31 December 2023, being the date to which the latest audited financial statements of the Group were made up, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, and was not beneficially interested in the shares of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The company secretary of the Company is Mr. Lo Wai Kit, member of HKICPA, who also serves as the chief financial officer of the Group.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.united-strength.com>) for a period of 14 days from the date of this circular:

- (a) the Loan Agreement;
- (b) the Pledge;
- (c) the letter from the Independent Board Committee as set out on pages 14 to 15 of this circular;
- (d) the letter from Innovax Capital Limited as set out on pages 16 to 23 of this circular;
- (e) the written consent of Innovax Capital Limited referred to in this Appendix I; and
- (f) this circular.