

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 this announcement.*



**ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED**

**能源國際投資控股有限公司\***

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

**(Stock code: 353)**

**DISCLOSEABLE ACQUISITION  
IN RELATION TO  
THE ACQUISITION OF 40% SHAREHOLDING OF  
THE TARGET COMPANY**

The Board is pleased to announce that on 17 June 2024 (after trading hours of the Stock Exchange), the Company (as purchaser), the Vendor and the Target Company entered into the Acquisition Agreement, pursuant to which the Company agreed to purchase, and the Vendor agreed to sell, the Acquired Interest for the Consideration of RMB200,000,000 (equivalent to approximately HK\$215,054,000), which shall be satisfied as to RMB120,000,000 (equivalent to approximately HK\$129,032,000) in cash and RMB80,000,000 (equivalent to approximately HK\$86,022,000) by the issue of three tranches of Promissory Notes which shall vest upon the satisfaction of the Profit Guarantees during three Profit Measurement Periods.

Pursuant to the Acquisition Agreement, the Vendor granted to the Company the Put Option such that if the Actual Profit of the Target Group for FY2026/27 is less than 70% of the Third Guaranteed Profit, the Company may exercise the Put Option at its discretion during the Put Option Period to require the Vendor to purchase from the Company the Acquired Interest at the Put Option Price, which is equivalent to the aggregate acquisition costs actually paid by the Company for the Acquired Interest (including all interest paid on the Promissory Notes, if any).

\* For identification purpose only

Based on the information provided by the Vendor, the Opco Group is one of the leading credit assessment fintech solution providers in the PRC, and is principally engaged in the provision of credit assessment, fund matching and technical services for financial institutions. Due to the restriction of foreign ownership under the PRC laws, the Wfoe (an indirect wholly-owned subsidiary of the Target Company) has entered into the Structured Contracts with, among others, the existing Registered Shareholders and the Opco, pursuant to which the Target Company has gained effective control of the management, financial and operating policies of the Opco Group through the Contractual Arrangements, and shall enjoy 70% of the economic benefits generated by the Opco Group.

By acquiring 40% shareholding of the Target Company under the Acquisition, the Company is effectively acquiring 28% economic interest of the Opco Group on a look-through basis. Following the Acquisition, the Acquired Interest will be booked as interests in associates in the Group's consolidated financial statements.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 17 June 2024 (after trading hours of the Stock Exchange), the Company (as purchaser), the Vendor and the Target Company entered into the Acquisition Agreement, pursuant to which the Company agreed to purchase, and the Vendor agreed to sell, the Acquired Interest for the Consideration of RMB200,000,000 (equivalent to approximately HK\$215,054,000), which shall be satisfied as to RMB120,000,000 (equivalent to approximately HK\$129,032,000) in cash and RMB80,000,000 (equivalent to approximately HK\$86,022,000) by the issue of three tranches of Promissory Notes which shall vest upon the satisfaction of the Profit Guarantees (as defined below) during three Profit Measurement Periods (as defined below).

Details of the Acquisition Agreement are summarized as follow:

## **THE ACQUISITION AGREEMENT**

### **Date**

17 June 2024 (after trading hours of the Stock Exchange)

### **Parties**

- (i) the Company, as purchaser;
- (ii) the Vendor; and
- (iii) the Target Company

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (1) as at the date of this announcement, the Target Company is wholly-owned by the Vendor, who is a Hong Kong national and merchant and an Independent Third Party; and (2) there is no (and has not been, in the past twelve months, any) material loan arrangement between (a) any counterparty of the Acquisition (including the Vendor), any of its directors or legal representatives, and/or any ultimate beneficial owner(s) of the Target Group; and (b) the Company, any connected person at the issuer's level and/or any connected person of the Company's subsidiaries involved in the Acquisition.

### **Subject Matter**

Pursuant to the Acquisition Agreement, the Company agreed to acquire, and the Vendor agreed to sell, the Acquired Interest, comprising 40% of the issued share capital of the Target Company and all shareholders' loans (if any) of the Target Group.

Based on the information provided by the Vendor, the Opco Group is one of the leading credit assessment fintech solution providers in the PRC, and is principally engaged in the provision of credit assessment, fund matching and technical services for financial institutions. According to the market research report (the "**Research Report**") compiled by Frost and Sullivan (an independent market research and consulting company with over 1,200 experts in 45 global offices), among the credit assessment fintech solution providers in the PRC, the Opco ranked fourth in terms of revenue generated in 2022 and first in terms of growth rate of revenue generated from loan facilitation business in the first three quarters of 2023 as compared to the corresponding period in 2022.

Due to the restriction of foreign ownership under the PRC laws (details are set out in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” below), the Wfoe (an indirect wholly-owned subsidiary of the Target Company) has entered into the Structured Contracts with, among others, the existing Registered Shareholders (i.e., Mr. Sun and Mr. Zhan) and the Opco, pursuant to which the Target Company has gained effective control over the Opco Group through the Contractual Arrangements, and shall enjoy 70% of the economic benefits generated by the Opco Group. By acquiring 40% shareholding of the Target Company under the Acquisition, the Company is effectively acquiring 28% economic interest of the Opco Group on a look-through basis. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Sun and Mr. Zhan are Independent Third Parties.

Under the terms of the Acquisition Agreement, (a) certain receivables of the Opco Group (the “**Excluded Assets**”) and certain payables of the Opco Group (the “**Excluded Liabilities**”) are excluded and do not form part of the subject matter of the Acquisition and have not been taken into account by the Company when arriving at the Consideration; (b) the Excluded Liabilities will only be settled using the Excluded Assets but pending their full settlement, the Opco Group will continue to hold the Excluded Assets and maintain a lien over it. Based on the information provided by the Vendor:

- (a) The Excluded Assets, which were in the amount of approximately RMB426,040,000 as at 29 February 2024, comprised: (i) amounts due from an associate of Mr. Sun of approximately RMB259,081,000; (ii) amounts due from the associates of Longguang of approximately RMB127,276,000; and (iii) amounts due from independent third parties of approximately RMB39,683,000.
- (b) The Excluded Liabilities, which were in the amount of approximately RMB99,494,000 as at 29 February 2024, comprised: (i) amounts due to Longguang and its associates of approximately RMB60,177,000; and (ii) amounts due to independent third parties of approximately RMB39,317,000.

Based on the information provided by the Vendor, (i) the Excluded Assets and the Excluded Liabilities are non-operating in nature, and were neither required by nor incurred in the Opco Group’s ordinary course of business; and (ii) they are principally amounts receivable from, and payable to, independent third parties (principally counterparties with whom the Opco Group had business relationships) or direct or indirect shareholders of Opco Group (i.e., Longguang and Mr. Sun) (or their associates), incurred due to the funding needs of the Opco Group or the counterparties (as the case may be) from time to time prior to the Acquisition. As the Company desires to take equity in the businesses rather than the assets of the Opco Group, the Directors are of the view that the exclusion of the Excluded Assets and the Excluded Liabilities from the subject matter of the Acquisition could lower the consideration payable by the Company to the Vendor for the Acquisition, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Consideration

The total Consideration for the Acquisition is RMB200,000,000 (equivalent to approximately HK\$215,054,000), which shall be payable by the Company to the Vendor (or his designated nominees as he may direct) upon Completion:

- (i) as to RMB120,000,000 (equivalent to approximately HK\$129,032,000) (the “**Cash Consideration**”), paid in cash; and
- (ii) as to RMB80,000,000 (equivalent to approximately HK\$86,022,000), satisfied by issue of three tranches of Promissory Notes by the Company.

The Cash Consideration was settled by cash from the Group’s internal financial resources. In addition, the Company intends to use (i) the Group’s internal financial resources; (ii) cashflow to be generated from the operations of the Group and the Opco Group; and (iii) capital to be raised by the Group through equity and debt fund-raising activities to be carried out before the maturity date of the Promissory Notes to satisfy the repayment obligation of the Promissory Notes (including the outstanding principal amount and the accrued interest).

The principal terms and conditions of the Promissory Notes are set out in the section headed “Promissory Notes” of this announcement.

## Basis for determination of the Consideration

The Consideration was determined after arm’s length negotiation between the Vendor and the Company with reference to, among others, (i) the business nature and prospects of the Opco Group as set out in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below; (ii) the entry barriers of credit assessment fintech industry players and the market position already established by the Opco Group in the PRC credit assessment fintech market; (iii) the terms of the Profit Guarantees; and (iv) the Valuation of the fair value of 28% equity interest in the Opco as at 29 February 2024 as conducted by the Independent Valuer.

## Valuation

The Group has engaged the Independent Valuer to conduct the Valuation in respect of the fair value of 28% equity interest in the Opco. According to the valuation report (the “**Valuation Report**”) prepared by the Independent Valuer, the fair value of 28% equity interest in the Opco as at 29 February 2024 amounted to approximately RMB219,000,000.

The Directors have (i) reviewed and discussed with the Independent Valuer the methodology of, and the bases and assumptions adopted for, the Valuation as set out in the Valuation Report; (ii) reviewed the selection criteria of the comparables adopted by the Independent Valuer in the Valuation Report; and (iii) assessed the experience and expertise of the Independent Valuer.

## *Valuation methodology*

As stated in the Valuation Report, the Independent Valuer has considered the three generally accepted approaches, namely income approach, cost approach and market approach, to assess the value of the Opco:

- (1) Income approach provides an indication of value by converting future cash flows to a single current asset value, and is commonly applied to an aggregation of assets consisting of all assets of a business enterprise, including working capital and tangible and intangible assets. Value is derived based upon the present worth of economic benefits of ownership of asset. However, the Independent Valuer considers that the income approach is not appropriate as the cash flow projections for the loan facilitation business of the Opco would require numerous assumptions on projected growth/changes in revenue streams, cost of revenue, operating expenses, administrative expenses, projected movements in working capital balances, and expected capital expenditure. Those assumptions and estimations are therefore not easily verifiable, supportable or reliably measured.
- (2) Cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. Value is established based on cost of reproducing or replacing the asset, less depreciation or amortization from functional and economic obsolescence, if present and measurable. However, the Independent Valuer considers that the cost approach is not appropriate as it ignores the economic benefits of ownership of the business.
- (3) Market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available, and incorporating adjustments to be made for any difference between the properties of the comparable assets and the subject asset being appraised. The market approach generally involves two valuation methods, namely (i) the guideline public company method, which involves the use of the valuation multiples applicable to the subject companies, to assess the fair value of the equity interest in the Opco, and (ii) the comparable transactions method, which involves the direct comparison of other transactions that may be considered similar to the subject transaction regarding the equity interest of the Opco. However, the Independent Valuer considers that comparison transactions method is not appropriate due to the lack of public information on recent comparable transactions in the market. Therefore, the Independent Valuer has relied solely on the market approach and adopted the guideline public company method in the Valuation, and the multiples applicable to the Opco are derived with reference to the valuation multiples of the comparable companies of the Opco.

### *Selection of valuation benchmark*

Under the guideline public company method, the Independent Valuer has attempted to compare the value against the market valuation of other comparable companies using the price-to-sales ratio (“**P/S multiple**”), the enterprise value-to-sales ratio (“**EV/S multiple**”), the enterprise value-to-earnings before interest, tax, depreciation and amortization (“**EV/EBITDA multiple**”), the price-to-earnings ratio (“**P/E multiple**”) and the price-to-book ratio (“**P/B multiple**”) given that the above multiples are the commonly used valuation benchmarks in assessing the valuation of a company since the data for calculating these ratios can be obtained directly from publicly available information and reflect the value of the Opco determined by the open market.

Given that the Opco recorded net loss and negative EBITDA during the period of 1 March 2023 to 29 February 2024 according to the latest available management account of the Opco Group, the assessment of fair value of the Opco by using the P/E multiple and EV/EBITDA multiple was infeasible. The Opco Group is principally engaged in financial services industry, and involves human capital and business relationships in operating the business. However, P/B multiple does not take into consideration human capital and intangible assets in appraising a business. Therefore, the P/B multiple was considered to be not appropriate for valuing businesses engaged in the financial service industry. The enterprise value is commonly used in measuring the operating value of a business enterprise, and therefore, EV/S multiple is generally preferred over of P/S multiple in the valuation of businesses.

The EV/S multiple is considered appropriate for the valuation of the equity interest in the Opco because the value of a financial technology service business like the Opco is driven by the volume of loans facilitation and the total revenue. Thus, the sales of the Opco are the key value indicator of its business. The EV/S multiple is a common valuation benchmark to value profit fluctuations and/or non-profit making business. Therefore, it is considered that EV/S multiple would arrive at a representative valuation of the equity of the Opco.

### *Comparable companies*

The Independent Valuer attempted to identify a list of comparable companies based on the following selection criteria: (a) being listed on the world’s top 10 stock exchanges in market capitalization in 2023; (b) the market capitalization of which being between RMB500 million to RMB10 billion; (c) being categorized as operating in the consumer finance, commercial finance, and other financing service industry according to Bloomberg; (d) having over 50% of revenue derived from the businesses of loan facilitation aggregately according to their latest published annual reports and company websites, as the Opco is principally engaged in the provision of credit assessment, fund matching and technical services for financial institution; (e) the financial information and historical trading data of which being sufficient and publicly available; (f) the public trading of its shares should not being suspended for more than 30 days within one year before the date of Valuation; (g) being non-excessively cash-heavy or debt-heavy companies, with debt-to-enterprise value ratio or cash-to-enterprise value ratio being equal to or less than one based on their financial statements; and (h) not being companies with

non-public shares that have different shareholders' rights than their public shares. Only three companies, namely Propel Holdings Inc., Yixin Group Ltd, and LendingTree Inc, met the above selection criteria. It is considered by the Independent Valuer that the sample size for the selected companies is not sufficient for the Valuation. Therefore, the Independent Valuer has expanded the selection criteria regarding the market capitalization to those companies with market capitalization from RMB100 million to RMB20 billion.

The Independent Valuer identified an exhaustive list of five companies (the “**Comparable Companies**”) which met the above-mentioned selection criteria, details of which are summarized in the table below:

**Table 1: Details of the Comparable Companies**

Name	Stock code	Company description	Reason for being selected	Market capitalization <i>(Note 1)</i> <i>(RMB'000)</i>	Enterprise value <i>(Note 1)</i> <i>(RMB'000)</i>	Revenue <i>(Note 1)</i> <i>(RMB'000)</i>	EV/S multiple <i>(times)</i>
1. Yixin Group Ltd	2858.HK	Yixin Group Limited offers an online automobile finance transaction platform. It provides loan facilitation, guarantee, car rental and other services which mainly operate in China.	<ul style="list-style-type: none"> <li>- The segmental revenue attributable to loan facilitation amounted to 52% of its total revenue based on its latest published annual report.</li> <li>- Similar to the Opco, it facilitates loan matching between debtors and lenders through online platforms.</li> </ul>	3,481,241	22,882,539	6,685,971	3.42
2. Upstart Holdings Inc	UPST.US	Upstart Holdings, Inc. operates as a holding company. It provides cloud-based artificial intelligence (AI) lending platform to improve access of credit while reducing the risk and costs of lending for bank partners which mainly operates in the United States.	<ul style="list-style-type: none"> <li>- The segmental revenue attributable to loan facilitation amounted to 100% of its total revenue based on its latest published annual report.</li> <li>- Similar to the Opco, it facilitates loan matching between debtors and lenders through online platforms.</li> </ul>	15,999,022	21,066,048	3,691,843	5.71



Name	Stock code	Company description	Reason for being selected	Market capitalization (Note 1) (RMB'000)	Enterprise value (Note 1) (RMB'000)	Revenue (Note 1) (RMB'000)	EV/S multiple (times)
3. Propel Holdings Inc	PRL. CN	Propel Holdings Inc. is an online financial technology company. It focuses on providing fair, fast, and transparent access to credit with exceptional service using its proprietary online lending platform which mainly operates in Canada.	<ul style="list-style-type: none"> <li>- The segmental revenue attributable to loan facilitation amounted to 75% of its total revenue based on its latest published annual report.</li> <li>- Similar to the Opco, it facilitates loan matching between debtors and lenders through online platforms.</li> </ul>	3,323,763	4,636,518	2,263,451	2.05
4. LendingTree Inc	TREE. US	LendingTree, Inc. is an online marketplace for loans. It originates, processes, approves and funds various types of residential real estate loans and offers residential mortgage loan settlement services. It also offers access to home equity loans and lines of credit, personal loans, business loans and auto loans which mainly operates in the United States.	<ul style="list-style-type: none"> <li>- The segmental revenue attributable to loan facilitation amounted to 63% of its total revenue based on its latest published annual report.</li> <li>- Similar to the Opco, it facilitates loan matching between debtors and lenders through online platforms.</li> </ul>	3,710,111	7,278,582	4,834,415	1.51

Name	Stock code	Company description	Reason for being selected	Market capitalization (Note 1) (RMB'000)	Enterprise value (Note 1) (RMB'000)	Revenue (Note 1) (RMB'000)	EV/S multiple (times)
5. Apollo Finvest India Ltd	APFV. IN	Apollo Finvest (India) Limited operates as a technology company. It offers a platform which provides personal and consumer loans which mainly operates in India.	<ul style="list-style-type: none"> <li>- The segmental revenue attributable to loan facilitation amounted to 65% of its total revenue based on its latest published annual report.</li> <li>- Similar to the Opco, it facilitates loan matching between debtors and lenders through online platforms.</li> </ul>	326,537	316,481	18,692	16.93 (Note 2)
						Average:	3.17 (Note 2)

*Notes:*

1. Revenue is measured by the latest available trailing 12-months financial data extracted from their latest published annual reports and company websites as of the date of Valuation, while market capitalization and enterprise value are measured on the date of Valuation.
2. According to the Valuation Report, in defining the outliers, a generally accepted method called the “Interquartile Range” or “IQR” method has been adopted. The IQR is the difference between the 1st Quartile (25%; “Q1”) and the 3rd Quartile (75%; “Q3”). Under the IQR method, a datapoint outside of 1.5 times of the IQR below Q1 or above Q3 is considered an outlier. The lower bound and higher bound of the EV/S multiples of the Comparable Companies are calculated as 0 and 11.19, respectively. The EV/S multiple for APFV.IN of 16.93 times is higher than the higher bound, and is therefore considered as an outlier to be excluded from the calculation of the average of EV/S multiple.

***Non-operating assets and liabilities adjustments***

In order to determine the fair value of 28% equity interest in the Opco, assets and liabilities that are not utilised in operating activities of the Opco’s core business would be generally classified as non-operating assets and liabilities. According to the Valuation Report, the values of the non-operating assets would be added to, and those of non-operating liabilities would be deducted from, the operating equity value derived from the summation of (1) net cash (i.e. cash minus debt), and (2) the product of EV/S multiple adopted (being the average of the EV/S multiples of the Comparable Companies, i.e. 3.17) and the sales of the Opco, in order to arrive at the aggregate fair value of 28% equity interest in the Opco (which includes values of both operating and non-operating assets/liabilities).

After the removal of the Excluded Assets and the Excluded Liabilities from the financial position of the Opco, the remaining balances of the non-operating assets and liabilities are nil.

### ***Discount for lack of marketability (“DLOM”)***

Privately held companies are not readily marketable and would face more difficulty in converting its shares into cash as compared with publicly held companies. DLOM is commonly considered in the valuations of privately held companies to reflect difference in the marketability of the shares of the subject private companies and that of the selected publicly-traded comparable companies.

The Independent Valuer usually selects the appropriate DLOM based on the 2023 Stout Restricted Stocks Studies on Determining Discount for Lack of Marketability, which incorporated an examination of 776 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through December 2022. The discount implied by these 776 private placement transactions in comparison with the corresponding publicly traded common stocks, and is generally considered an appropriate proxy for DLOM for closed held private businesses. DLOM adopted in the Valuation is 20.5%.

### ***Assumptions***

The major assumptions adopted by the Independent Valuer in the Valuation Report are set out below:

- (i) It is assumed that the Opco will continue to operate as a financial technology service company with an emphasis on financial technology application in the field of loan facilitation in the foreseeable future.
- (ii) It is assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.
- (iii) There will be no major changes in the existing political, legal, fiscal or economic conditions in the country or district where the business of the Opco is in operation.
- (iv) There will be no major changes in the current taxation law in the areas where the Opco carries on its business, that the rate of tax payable remains unchanged and that all applicable laws and regulations will be complied with.
- (v) The inflation, interest rates and currency exchange rate will not differ materially from those presently prevailing.
- (vi) The Opco will retain their management and technical personnel to maintain their ongoing operations.

- (vii) There will be no major business disruptions through international crisis, industrial disputes, industrial accidents or severe weather conditions that will affect the existing business.
- (viii) The Opco will remain free from claims and litigation against the business or its customers that will have a material impact on value.
- (ix) The Opco is unaffected by any statutory notice and the operation of the business will not give rise to any contravention of statutory requirements.
- (x) The business of the Opco is not subject to any unusual or onerous restrictions or encumbrances.

After discussing with the Independent Valuer and reviewing the Valuation Report, the Directors consider that the valuation methodology, selection criteria, and the bases and assumptions for the Valuation as adopted by the Independent Valuer are fair and reasonable.

### **Promissory Notes**

As part of the Consideration payable upon Completion, the Company has issued to the Vendor (or his designated nominees) three tranches of Promissory Notes in the aggregate principal amount of RMB80,000,000 (equivalent to approximately HK\$86,022,000) on the following principal terms:

<b>Issuer</b>	:	the Company
<b>Noteholder</b>	:	the Vendor
<b>Principal amount</b>	:	RMB80,000,000 (equivalent to approximately HK\$86,022,000)
<b>Date of issue</b>	:	17 June 2024
<b>Vesting and maturity</b>	:	The repayment obligations of the Company, as issuer, in respect of the principal amount and interest of the Promissory Notes are subject to vesting and become due on maturity, in accordance with the following terms:

- (1) Principal amount of RMB14,546,000 (“**Tranche PG1**”) out of the Promissory Notes shall vest on, and to the extent of, the satisfaction of the First Guaranteed Profit (as defined in the section headed “**Profit Guarantees**” below), and the principal amount and accrued interest on the vested portion of Tranche PG1 shall be due and repayable on the date falling 42 months from the date of issue (or if that is not a business day, the first business day thereafter) (the “**Maturity Date**”).
- (2) Principal amount of RMB21,818,000 (“**Tranche PG2**”) out of the Promissory Notes shall vest on, and to the extent of, the satisfaction of the Second Guaranteed Profit (as defined in the section headed “**Profit Guarantees**” below), and the principal amount and accrued interest on the vested portion of Tranche PG2 shall be due and repayable on the Maturity Date.
- (3) Principal amount of RMB43,636,000 (“**Tranche PG3**”) out of the Promissory Notes shall vest on, and to the extent of, the satisfaction of the Third Guaranteed Profit (as defined in the section headed “**Profit Guarantees**” below), and the principal amount and accrued interest on the vested portion of Tranche PG3 shall be due and repayable on the Maturity Date.

**Interest**

- :
- Interest shall accrue on the principal amount at the rate of 4.8% per annum from the date of issue or vesting (whichever is later) to the date of actual repayment, payable in one lump sum in arrears on the actual date of repayment and cancellation of the relevant principal amount of the Promissory Notes.

**Transferability**

- :
- Any vested portion of the Promissory Notes may be assigned or transferred in whole or in part by the note-holder(s) to any person, provided that all transfers must be notified to the Company and no transfer shall be made to connected persons of the Company without the Company’s prior written consent. In giving such consent, the Company will ensure compliance of the relevant provisions of the Listing Rules including those regarding financial assistance by connected persons. No transfer is permissible for any unvested portion of the Promissory Notes.

- Denomination** : A note-holder may request the certificate(s) of the Promissory Notes be split into such denominations as the holder sees fit, provided that the minimum denomination of any note certificate shall not be less than RMB1,000,000.
- Early redemption** : The Company may redeem any part of the vested Promissory Notes at 100% of its principal amount (plus all accrued but unpaid interest, if any) at any time prior to the Maturity Date. The note-holders may not demand the Company to make early repayment of the Promissory Notes in any event.

The terms of the Promissory Notes were determined after arm's length negotiation between the Company and the Vendor with reference to the prevailing market conditions. In determining the interest rate of the Promissory Notes, the Directors have reviewed all issue of promissory notes with the term to maturity of not less than one year by companies listed on the Stock Exchange or their subsidiaries for satisfying the consideration of acquisition during the 6-month period immediately prior to the date of the Acquisition Agreement of 17 June 2024 and identified 6 transactions which met the said criteria (the "**PN Comparable Issues**"). The interest rates of the PN Comparable Issues ranged from nil to 12.5%, with a median of approximately 5.44% and an average of approximately 5.73%. The interest rate of the Promissory Notes of 4.8% per annum falls within the range of interest rates of the PN Comparable Issues and is lower than the median and average of those of the PN Comparable Issues. Accordingly, the Directors consider that the terms of the Promissory Notes are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

Completion of the Acquisition is conditional upon fulfillment or waiver (as the case may be) of the Conditions as set forth below:

- (a) the Company having completed its due diligence over the Wfoe and the Opco Group and being satisfied with its results in its absolute discretion;
- (b) the Company having obtained a legal opinion and/or report from qualified PRC legal advisers, in form and substance satisfactory to the Company in its absolute discretion, to confirm, among other things, the due incorporation, valid and continued existence of the members of the Target Group, the approvals, consents, licences and/or permissions required by the Target Group to conduct their business operations, the full force and effect of the material contracts in relation to the Target Group, and the necessity, legality and enforceability of the using of the Contractual Arrangements under VIE structure;

- (c) the obtaining of all approvals, completion of all filings, waiting periods having expired or terminated and all applicable statutory and legal obligations having been complied with, in each case as may be necessary and expedient in connection with the entering into and the implementation of the Acquisition Agreement;
- (d) no events having occurred subsequent to the latest end date of the financial period of the financial statements of Opco Group as provided by the Vendor, which may result in any material adverse effect on the financial performance, business or assets, operating results or business prospects the Target Group;
- (e) all warranties given by the Vendor being true, accurate and not misleading at all times; and
- (f) (if applicable) the obtaining of the required approvals, confirmations, waivers or consents from all third parties or regulatory authorities in respect of the Acquisition Agreement and the transactions contemplated thereunder.

### **Completion**

All the Conditions have been fulfilled. Accordingly, Completion has taken place on the date of signing of the Acquisition Agreement.

Upon Completion, the Target Company, the HK Holdco and the Wfoe have become associate companies of the Company. The financial results of the Target Company, the HK Holdco, the Wfoe and the Opco will be accounted for by the Group using the equity method of accounting.

### **Profit Guarantees**

Under the terms of the Acquisition Agreement, the Vendor provides the following profit guarantees (the “**Profit Guarantees**”) in respect of the financial performance of the Target Group, namely, that the net profits after tax of the Target Group, excluding: (a) any one-off income/loss not generated in the ordinary course of business, and (b) any income/loss arising from the Excluded Assets and/or the Excluded Liabilities, (the “**Actual Profit**”) shall be not less than:

- (1) RMB20 million (the “**First Guaranteed Profit**”) for the year ending 31 March 2025 (“**FY2024/25**”);
- (2) RMB30 million (the “**Second Guaranteed Profit**”) for the year ending 31 March 2026 (“**FY2025/26**”); and
- (3) RMB60 million (the “**Third Guaranteed Profit**”) for the year ending 31 March 2027 (“**FY2026/27**”).

The First, Second and Third Guaranteed Profits (collectively referred to as the “**Guaranteed Profits**”) were arrived at after arm’s length negotiations between the Company and the Vendor and were determined with reference to (i) the business growth and trend demonstrated by the financial performance of the Opco for the three years ended 31 March 2023 and eleven months ended 29 February 2024; and (ii) the business plan of the Opco, taking into consideration the market position of the Opco and an assessment on the outlook of the PRC’s credit assessment fintech solutions market. In respect of the Third Guaranteed Profit, the Company and the Vendor also made reference to the average and median of the P/E multiples of the Comparable Companies selected by the Independent Valuer in the Valuation, being 24.4 and 16.8 times, respectively.

For the purposes of the calculations of Profit Guarantees, (a) FY2024/25, FY2025/26 and FY2026/27 are collectively referred to as the “**Profit Measurement Periods**”; and (b) a financial year of the Target Group shall mean the twelve months running from 1 April of one year to 31 March of the subsequent year, i.e., the same as the financial year of the Company. The Actual Profit shall be based on the Board’s determination by reference to generally accepted accounting principles adopted by the Company, as stated in the Company’s preliminary announcement for the final results as approved for publication by the Board.

The vesting of Tranches PG1, PG2 and PG3 of the Promissory Notes is subject to the satisfaction of the First, Second and Third Guaranteed Profits, respectively. The Promissory Notes are deposited by way of escrow with the Company pending the determination of the extent of satisfaction of the Guaranteed Profits. If the Target Group meets the Guaranteed Profit for the corresponding Profit Measurement Period, the relevant tranche of Promissory Note will immediately, finally and unconditionally vest and be released to the Vendor (or his nominated entities as he may direct) within 30 days after the final determination of the Actual Profit by the Board. If the Actual Profit of the Target Group for any Profit Measurement Period turns out to be less than the corresponding Guaranteed Profit, the relevant tranche of Promissory Note will be cancelled absolutely and immediately by the Company as compensation for the failure in satisfying the relevant Profit Guarantee.

Having considered (i) the business growth and trend demonstrated by the historical financial performance of the Opco for the three years ended 31 March 2023 and eleven months ended 29 February 2024 (particularly, the notable growth of revenue from approximately RMB42.6 million for the year ended 31 March 2022 to approximately RMB86.0 million for the year ended 31 March 2023, and further to approximately RMB281.7 million for the eleven months ended 29 February 2024); (ii) the business plan of the Opco; and (iii) the outlook of the PRC’s credit assessment fintech solutions market as set out in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below, the Vendor is of the view (and with which the Directors agree) that the Guaranteed Profits are realistic and achievable. Further announcement(s) will be made by the Company as and when appropriate, as to whether the Guaranteed Profits are fulfilled or not.



## **Put Option**

Pursuant to the Acquisition Agreement, the Vendor granted to the Company a put option (the “**Put Option**”) such that if the Actual Profit of the Target Group for FY2026/27 is less than 70% of the Third Guaranteed Profit, the Company may exercise the Put Option at its discretion during the period of 18 months after the determination of the Third Guaranteed Profit (unless extended by the mutual consent of the Company and the Vendor in writing) (the “**Put Option Period**”) to require the Vendor to purchase from the Company the Acquired Interest at an exercise price (the “**Put Option Price**”) which is equivalent to the aggregate acquisition costs actually paid by the Company for the Acquired Interest (including all interest paid on the Promissory Notes, if any). To secure the due and punctual performance of the Vendor’s obligations (the “**Secured Obligations**”) if the Put Option is exercised by the Company, for so long as the Secured Obligations remain outstanding (i.e., until the Third Guaranteed Profit is met or the end of the Put Option Period, whichever is applicable), the Vendor: (a) agrees to charge the remaining 60% shareholding and shareholder’s loan (if any) in the Target Company (the “**Charged Interest**”) to and in favour of the Company; and (b) further undertakes not to transfer any of the Charged Interest unless the transferee(s) guarantee(s) the performance of the Secured Obligations and fortify(ies) such obligations by continuing to charge the Charged Interest to and in favour of the Company.

In the event that the Company decides to exercise the Put Option, the exercise of the Put Option may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcement(s) will be made in compliance with the Listing Rules if the Put Option is exercised.

## **Shareholder’s Agreement**

Under the terms of the Acquisition Agreement, the Company and the Vendor shall enter into a shareholder’s agreement to govern the affairs of the Target Company, containing provisions conferring the following rights to the Company for so long as it remains a shareholder of the Target Company: (i) as to the unrestricted access by the Company and its auditor to the books and records, financial information and supporting documents of the Target Group; (ii) as to the adoption of accounting policies, financial reporting procedures and internal control systems by the Target Group which are compatible with the Group; (iii) as to the provision of annual budgets, business plans and projections as may be reasonably requested by the Company, and at least once per year during the time of audit; (iv) as to the Company’s right to nominate director(s) to each member of the Target Group, provided that the number of board seat shall be not less than one but not more than such number representing the look-through shareholding interest of the Company in that entity; (v) as to a dividend policy requiring the Wfoe, HK Holdco and the Target Company to distribute all cash earnings during a financial year (subject to the availability of distributable profit and after reserving sufficient working capital to pay its liabilities when they fall due), unless the prior written consent of the Company is obtained as regards any deviation from such policy; and (vi) as to the prerequisite for the Target Group to obtain the Company’s consent for important matters such as related-party and/or material transactions contracts exceeding certain amount, issue of equity or convertible securities, and the grant of loan, guarantee or indemnity outside ordinary course of business.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the principal activities of the Company's subsidiaries include leasing of oil and liquefied chemical terminal (together with its storage and logistics facilities) and the provision of agency services and trading of oil and liquefied chemical products in the PRC.

Following the completion of the acquisition of an insurance brokerage entity, the Group created an independent business segment in August 2018. The original business plan was to initially offer insurance products to high net worth individuals having businesses and assets based in both the PRC and Hong Kong, and later developed into an integrated financial services segment comprising other services and products such as stock brokerage, margin financing, lending and asset management. In fact, the Group had at one stage sought to acquire a target company having the necessary SFC licenses in 2020 (the “**2020 Acquisition**”). However, as affected by the social unrest in Hong Kong in 2019, the travel restrictions due to COVID-19 between 2020 and 2022, the credit crisis of PRC property developers since 2021 and the slower-than-expected recovery rate in economy after COVID-19, the Group's insurance brokerage business did not roll out as originally planned and only contributed insignificant revenue to the Group. For the same reasons, the Group aborted the 2020 Acquisition in 2022 and put its bigger plan of developing the Group into an integrated financial services provider on hold, pending the clarification of the economic outlook post-COVID and national policy in the PRC. On 12 October 2023, the Group disposed of the insurance brokerage entity to an independent third party.

Despite the abortion of the 2020 Acquisition, the Group has not given up on its plan to develop its integrated financial services business in the long run. However, in the light of the focusing of national policy on “common prosperity” in the PRC in recent years, the Group considered it necessary to adjust its financial business plan to focus on mass consumers in the PRC rather than high net worth individuals. Since 2021, the Group has been exploring suitable business opportunities in the PRC. After conducting preliminary assessment and internal screening of projects, the Group had selected one PRC financial services and technology project focusing on consumer credit (i.e. the Opco Group) to pursue further, including the carrying out of more thorough due diligence (including the engagement of PRC legal advisers to perform PRC legal due diligence on the Opco Group covering its corporate information, historical changes, management and governance, assets, material contracts, related party transactions, material accounts receivable and payable, labour, tax, dispute and foreign investment restrictions), engagement of the Independent Valuer to perform the Valuation, engagement of auditor to report on the Opco's accounts, engagement of Frost and Sullivan to perform industry research, and continuing to engage in arm's length negotiation as regards the commercial terms of possible acquisition/investment/cooperation with the Vendor.

Based on the information provided by the Vendor, the Opco Group is one of the leading credit assessment fintech solution providers in the PRC, and is principally engaged in the provision of credit assessment, fund matching and technical services for financial institutions. By utilizing algorithms which are self-developed by Opco, the Opco matches loan applications with the most suitable financial institutions and service providers after taking into account a number of factors including user characteristics, credit risk, and demand for particular types of financial products and services.

Loan applications are channeled through asset-sides of consumer credit which possess resources of end-users and third-party loan online platforms (the “**Originators**”). Based on the information provided by the Vendor, once a loan application is received from an Originator, the Opco will perform anti-fraud screening and credit assessment utilizing the Opco’s own credit risk modeling, internal and external databases, intelligent algorithms and machine-learning technology. Due to the accumulation of experience in credit assessment fintech industry in the PRC for many years, the Opco has developed its credit risk modeling with improved accuracy and precision of the algorithms as the time progresses. It is through such proprietary algorithms which the Opco arrives at the optimal loan product(s) which suit the needs of both the Originators and the fund providers.

Once a loan application channeled from an Originator is approved by the financial institution, the Opco will notify the Originator about the intended terms of the loan product (including the loan amount, interest rate and loan tenor) as approved by the lender. Based on the information provided by the Vendor, the individual loan amount normally ranges from RMB1,000 to RMB50,000, while the loan tenor normally ranges from 6 months to 36 months. The loans extended by the financial institutions are normally guaranteed by licensed guarantee companies under the industry norm, to which the Opco may be requested to provide counter-guarantee to share the credit risk. In turn, the Opco may require the asset-side of consumer credit to provide counter-guarantee to it to spread the risk. By way of industry norm, deposits are made by asset-side to Opco, and by Opco to licensed guarantee companies, to fortify such counter-guarantees. Based on the information provided by the Vendor, the Opco charges service fees, normally ranging from 8% to 10% and 1% to 3% of the loan size, to financial institutions and assets-side of consumer credit, respectively.

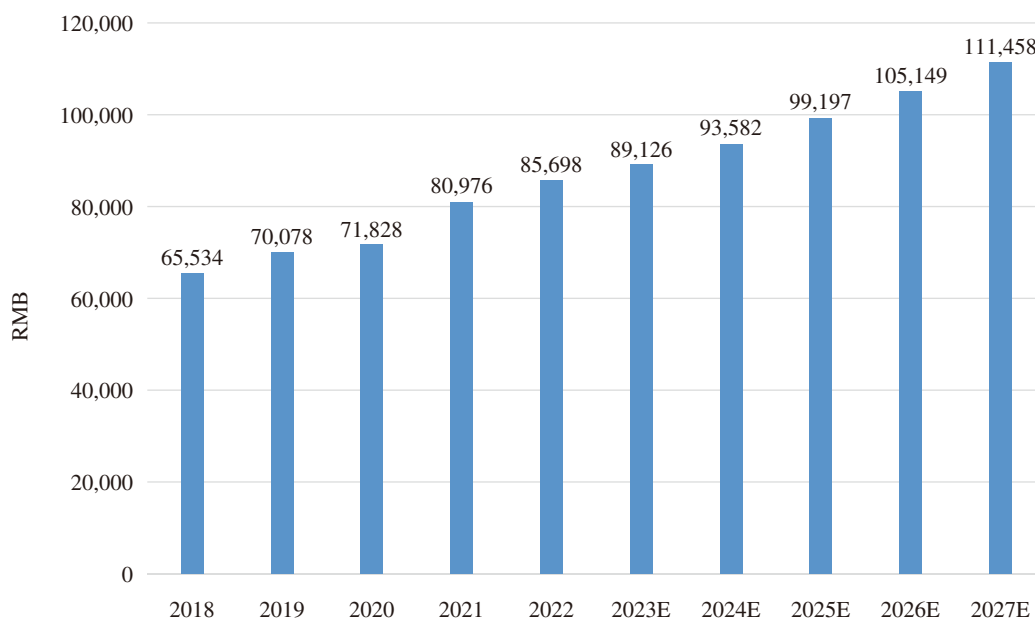
Based on the information provided by the Vendor, the Opco has developed an extensive business network with qualified financial institutions and guarantee companies. The Opco Group has actively established business connections or partnerships with different financial institutions (including regional banks and consumer finance companies that are non-banking financial institutions) and licensed guarantee companies in the last few years. It is the business strategy of the Opco Group to (i) expand its collaboration with other financial institutions and licensed guarantee companies; and (ii) diversify the network for user acquisition through other asset-sides of consumer credit and third-party loan online platforms. The number of financial institutions, licensed guarantee companies, asset-sides of consumer credit and third-party loan online platforms (collectively, the “**Business Partners**”) which were in cooperation/partnership with the Opco Group as at 31 March 2022, 31 March 2023 and 30 November 2023, respectively, are summarized as below:

<b>Business Partners</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2023</b>	<b>As at 30 November 2023</b>
Financial institutions	7	12	14
Licensed guarantee companies	7	15	19
Asset-sides of consumer credit	7	7	8
Third-party loan online platforms	–	10	14

In line with the increasing numbers of the Business Partners, the number of loan requests driven by the Originators increased significantly from approximately 331,000 for the year ended 31 March 2022 (“**FY2021/22**”) to approximately 670,000 for the year ended 31 March 2023 (“**FY2022/23**”) and further to approximately 3.7 million for the eight months ended 30 November 2023 (“**8M2023/24**”), while the number of loans successfully facilitated by the Opco Group between the borrowers and the financial institutions also increased significantly from approximately 144,000 for FY2021/22 to approximately 384,000 for FY2022/23 and further to approximately 605,000 for 8M2023/24. The aggregate loan amounts facilitated by the Opco Group increased from approximately RMB1,646 million for FY2021/22 to approximately RMB6,069 million for FY2022/23 and further to approximately RMB7,020 million for 8M2023/24. Since its incorporation in 2015 and up to 30 November 2023, the Opco Group has cumulatively facilitated loans of approximately RMB16,489 million. As at 30 November 2023, the outstanding balance of loans facilitated by the Opco Group amounted to approximately RMB5,111 million, among which, approximately RMB3,784 million and approximately RMB1,327 million was ultimately counter-guaranteed by the asset-sides of consumer credit and the Opco Group, respectively.

In order to have a comprehensive market review for assessing the feasibility and prospect of the Acquisition, the Company has appointed Frost and Sullivan, a global research and consulting firm, to conduct an analysis of, and report on, the PRC’s credit assessment fintech solutions market.

**Chart 1: Gross domestic product per capita in the PRC**

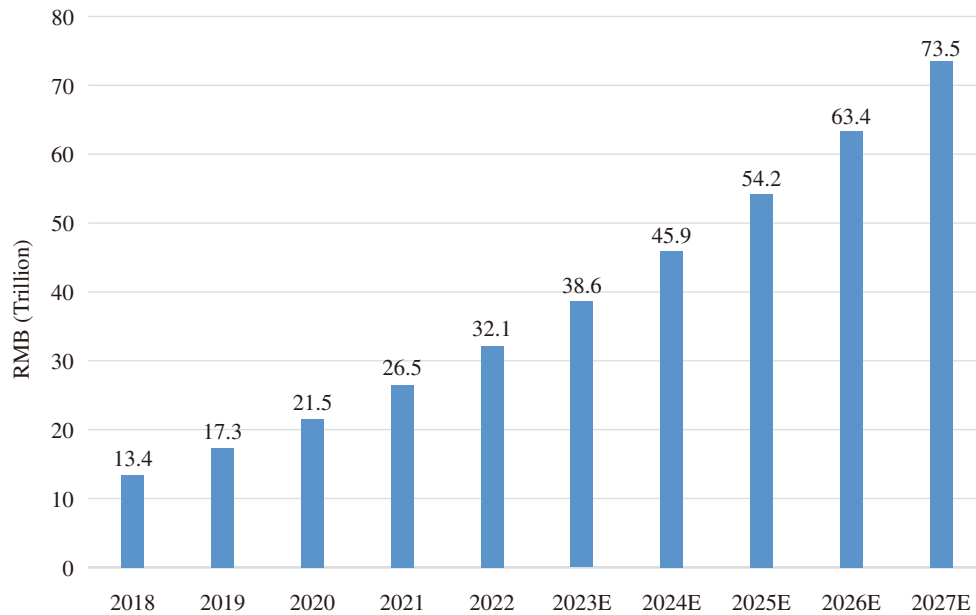


*Source: Frost and Sullivan*

*Note: Figures for the years 2023 to 2027 are estimated figures.*

According to the Research Report, the gross domestic product (“GDP”) per capita in the PRC increased from RMB65,534 in 2018 to RMB85,698 in 2022 with a compound annual growth rate (“CAGR”) of approximately 6.9% and the GDP per capita is estimated to reach RMB111,458 in 2027. Notwithstanding the impact of the prolonged COVID-19 on the PRC’s economy and the credit crisis of PRC’s property developers in recent years, Frost and Sullivan believes that the PRC’s economy will maintain medium-to-high growth in the future after taking into account (i) the release of a series of policies alleviated the real estate woe from the financing side and the consumption side; (ii) with the adjustment of the COVID-19 policies, residents’ consuming willingness will gradually revive; and (iii) the integration of the digital economy will be supported by the PRC’s government.

**Chart 2: the balance of inclusive finance loans in the PRC**

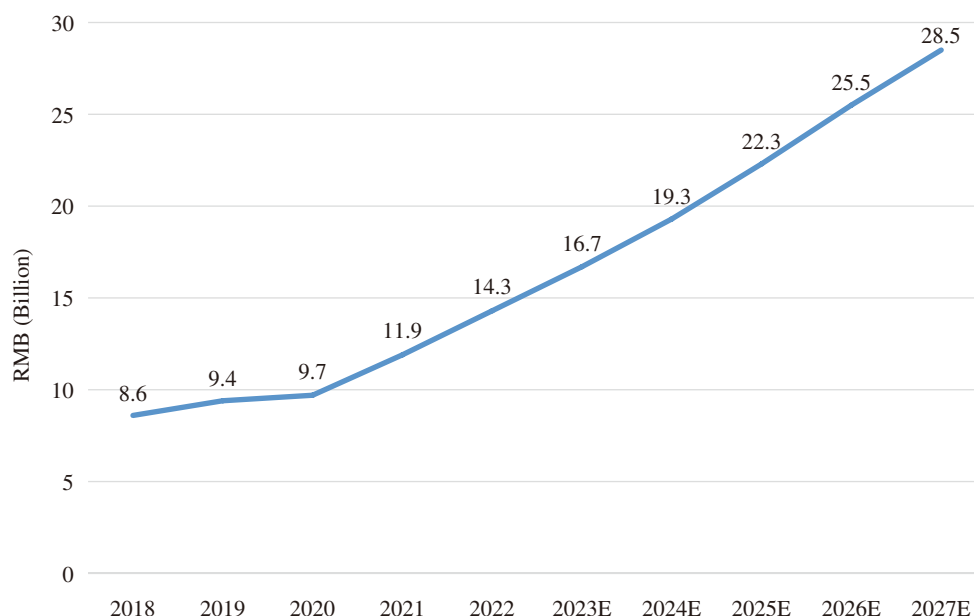


*Source: Frost and Sullivan*

*Note: Figures for the years 2023 to 2027 are estimated figures.*

As demonstrated in Chart 2 above, the balance of inclusive finance loans in the PRC increased from approximately RMB13.4 trillion in 2018 to approximately RMB32.1 trillion in 2022 with a CAGR of approximately 24.4%. Frost and Sullivan believes that the development of inclusive finance is an inevitable requirement for the PRC's economy to build a moderately prosperous society in all aspects, and is helpful to promote sustainable and balanced development of the financial sector. With the support of the PRC's government, it is expected that the balance of inclusive finance loans will grow rapidly in the PRC and will reach approximately RMB73.5 trillion in 2027 with a CAGR of approximately 18.0% as compared to that in 2022.

**Chart 3: Size of credit assessment fintech solutions market in the PRC**



Source: Frost and Sullivan

Note: Figures for the years 2023 to 2027 are estimated figures.

As illustrated in Chart 3 above, the size of credit assessment fintech solutions market in the PRC in terms of business revenue increased from approximately RMB8.6 billion in 2018 to approximately RMB14.3 billion in 2022 with a CAGR of approximately 13.6%. Such increase was mainly attributable to the increase in application of credit assessment fintech solutions, which was strongly promoted by the PRC's government. In the long run, Frost and Sullivan expects that more financial institutions will establish more in-depth partnerships with credit assessment fintech solutions providers (in particular, credit risk analysis, fraud risk prevention and repayment ability assessment), and therefore, it is expected that the size of credit assessment fintech solutions market in the PRC would reach RMB28.5 billion in 2027.

According to the Research Report, among the credit assessment fintech solutions providers in the PRC, the Opco ranked fourth in terms of revenue generated in 2022 and first in terms of growth rate of revenue generated from loan facilitation business in the first three quarters of 2023 as compared to the corresponding period in 2022. According to the Research Report, as the credit assessment fintech industry continues to progress, leading companies are expected to take on an increasingly active role in the business. Rather than solely acting as facilitators for capital side, leading companies have accumulated resources to be engaged as direct players in the market, driven by the pursuit of greater profitability and diversification, enabling these leading companies to meet the evolving needs of their clients better. Technology-driven companies with diversified business capabilities, including platforms and self-operation, are poised to become increasingly competitive in the future by leveraging cutting-edge technology and data analytics capabilities to deliver efficient and personalized financial services that cater to the evolving needs of the market. Additionally, the comprehensive business matrix of these companies translates to higher profitability, giving them a notable competitive advantage. Further, a good provider of credit assessment fintech solutions need to have technology and

talent, data asset, established network with cooperation partners such as upstream capital-side and downstream asset-side, and other entry barriers, making it difficult for new entrants to achieve good results within a short period of time.

On the other hand, the entry barrier for setting up business in the credit assessment fintech industry in the PRC is considered to be relatively high. According to the Research Report: (a) service providers of credit risk fintech solutions needs relevant hardware, software and management capabilities, and therefore new entrants are required to build up a mature technology team and create appropriate digital technology prior to the commencement of business; (b) loan facilitators have to be able to conduct matching efficiently, as customers nowadays (especially internet users) do expect short feedback time, and therefore new entrants would take time to establish relationships with the financial institutions and asset-sides of consumer credit; and (c) the PRC government imposes regulations on internet service providers, and therefore new entrants require licenses and permits before commencing operation which takes time to obtain.

Despite the fact that the Target Group recorded a net liabilities of approximately RMB94 million as at 29 February 2024 after excluding the Excluded Assets and the Excluded Liabilities, the Directors are of the view that the Acquisition would allow the Group to tap into the rapidly developing credit assessment fintech solutions market in the PRC with an established market position. Assuming that the Target Group can successfully meet the Profit Guarantees, it is expected that the Opco Group (excluding the Excluded Assets and Excluded Liabilities) will restore to net assets in around 2.5 years' time. By pre-agreeing with a dividend policy with the Vendor, the Company can benefit from investment return of the Target Group if and when it has accumulated profits and surplus over necessary cash reserve. By acquiring a 28% look-through effective interest in the Opco Group, the Company has struck a balance between the limiting of risk associated with new investment, and the grasping of business opportunity to shift from traditional industries to "new quality productive forces" as promoted by the top leaders of the PRC and for the long-term sustainable development of the Group. Further, the Directors consider that the interest of the Group is safeguarded by the Profit Guarantee and the Put Option. Having considered the factors stated in this announcement, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is on normal commercial terms, the terms of the Acquisition Agreement (including the Consideration and the terms of the Promissory Notes) are fair and reasonable, and the entering into of the Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

#### **NO MATERIAL INTEREST OF DIRECTORS**

No Director regarded himself to have a material interest in the Acquisition Agreement which requires him to disclose his interest and/or to abstain from voting on the Board level regarding the entering into of the Acquisition Agreement.



Mr. Cao, an executive Director, declared to the Board that he is a director of 深圳市綠信科技集團有限公司 (Shenzhen Lvxin Technology Group Limited\*) (“**Lvxin Technology**”). Based on the information available to the Company, (i) Lvxin Technology is the 100% holding company of Longguang, which holds the other 30% equity interest in the Opco; (ii) Lvxin Technology is a 50:50 joint venture between 深圳信合智創科技有限公司 (Shenzhen Xinhe Zichuang Technology Co., Ltd\*) (“**Xinhe Zichuang**”) and 杭州綠穗信息科技有限責任公司 (Hangzhou Lvsui Information Technology Co., Ltd\*) (“**Hangzhou Lvsui**”); (iii) Xinhe Zichuang is ultimately and beneficially owned as to 90% by Mr. Li Tong (“**Mr. Li**”) and 10% by Ms. Li Juan (“**Ms. Li**”), both being PRC nationals and merchants; (iv) Hangzhou Lvsui is 87.2652% owned (through intermediate holding companies) by 綠地控股集團股份有限公司 (Greenland Holdings Group Corporation Limited\*) (“**Greenland Holdings**”), a company incorporated under the laws of the PRC and the shares of which are listed on Shanghai Stock Exchange (stock code 600606); and (v) the remaining 12.7348% shareholding of Hangzhou Lvsui is held by eight limited partnerships (with the top two holdings being 5% and 3.75% respectively) and two PRC limited companies (each holding under 1%) (collectively, the “**Hangzhou Lvsui Minority Shareholders**”).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, (a) each of the ultimate beneficial owners of Longguang (including Mr. Li, Ms. Li, Greenland Holdings and the Hangzhou Lvsui Minority Shareholders) is an Independent Third Party unrelated to the Company and Mr. Cao; (b) Mr. Cao confirmed to the Company that save for his directorship in Lvxin Technology, he and his associates had no shareholding or other forms of economic interest in Longguang and companies/entities holding direct or indirect interest in it (including Lvxin Technology), that he had no direct or indirect relationship with the Vendor, and no direct or indirect interest in the Acquisition; (c) Lvxin Technology is a PRC company having a registered capital of RMB1.13 billion, total assets of over RMB2.1 billion and net assets of over RMB1.7 billion, and its investment amount in Longguang of RMB264.84 million only represents approximately 12.6% of its total asset size; and (d) Mr. Cao’s directorship in Lvxin Technology is non-executive in nature, and he was not previously involved in the daily operations of Longguang or the Opco Group prior to this Acquisition.

Mr. Cao’s directorship in Lvxin Technology was notified to the Directors prior to the making of Board decision regarding the Acquisition. Having considered the circumstances above, the Directors (including all independent non-executive Directors, but excluding Mr. Cao) are of the view that Mr. Cao is not regarded to have any interest, let alone material interest, in the Acquisition and accordingly, ruled that Mr. Cao can participate in voting on the Acquisition on Board level. The Directors further ruled that the Company has no objection for Mr. Cao to continue to act as a director of Lvxin Technology, in a non-executive nature, following the Acquisition, against Mr. Cao’s undertaking not to take part in any business activities which may compete with the Group’s businesses.

## INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, (a) the Target Company is wholly-owned by the Vendor; (b) the Target Company owns 100% shareholding in HK Holdco, an investment holding company incorporated in Hong Kong with limited liability; and (c) HK Holdco owns 100% equity holding in the Wfoe.

The Wfoe has entered into the Structured Contracts with, among others, Mr. Sun, Mr. Zhan and the Opco, pursuant to which the Target Company has gained effective control over the Opco Group through the Contractual Arrangements using VIE structure, and shall enjoy 70% of the economic benefits generated by the Opco Group. The Opco is a company established in the PRC with limited liability having a scope of business comprising information technology, big data, technical services, development and consultancy, internet data services, information technology, and the following licensed business operations, namely, telecommunication operations, call centre and certain telecommunication value-added operations. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the registered capital of the Opco is legally owned as to 68.6% by Mr. Sun, 1.4% by Mr. Zhan and 30% by Longguang.

Based on the information provided by the Vendor, the Opco: (a) is one of the leading credit assessment fintech solution providers in the PRC, principally engaged in the provision of credit assessment, fund matching and technical services for financial institutions; (b) owns 100% equity interest in Baishunyun, a company established in the PRC with limited liability which has a scope of business comprising the research and development of software, big data and artificial intelligence, information technology, Internet of Things (IoT), network and information security, data storage and processing, network equipment leasing, advertising and consultancy, and is principally engaged in the provision of technical support to the Opco; and (c) owns two other wholly-owned subsidiaries which are not carrying out any active business. According to the Research Report, among the credit assessment fintech solutions providers in the PRC, the Opco ranked fourth in terms of revenue generated in 2022 and first in terms of growth rate of revenue generated from loan facilitation business in the first three quarters of 2023 as compared to the corresponding period in 2022.

Under the Structured Contracts, the control and economic benefits of the 70% equity interests in the Opco of Mr. Sun and Mr. Zhan were conferred to the Wfoe, but the economic benefits of the 30% equity interest in the Opco shall belong to its registered owner, Longguang.

## Financial Information of the Target Group

According to the information provided by the Vendor, no audited or management accounts have been prepared by the Target Company since its date of incorporation, as it was inactive and did not have any assets or liabilities as at the date of this announcement.

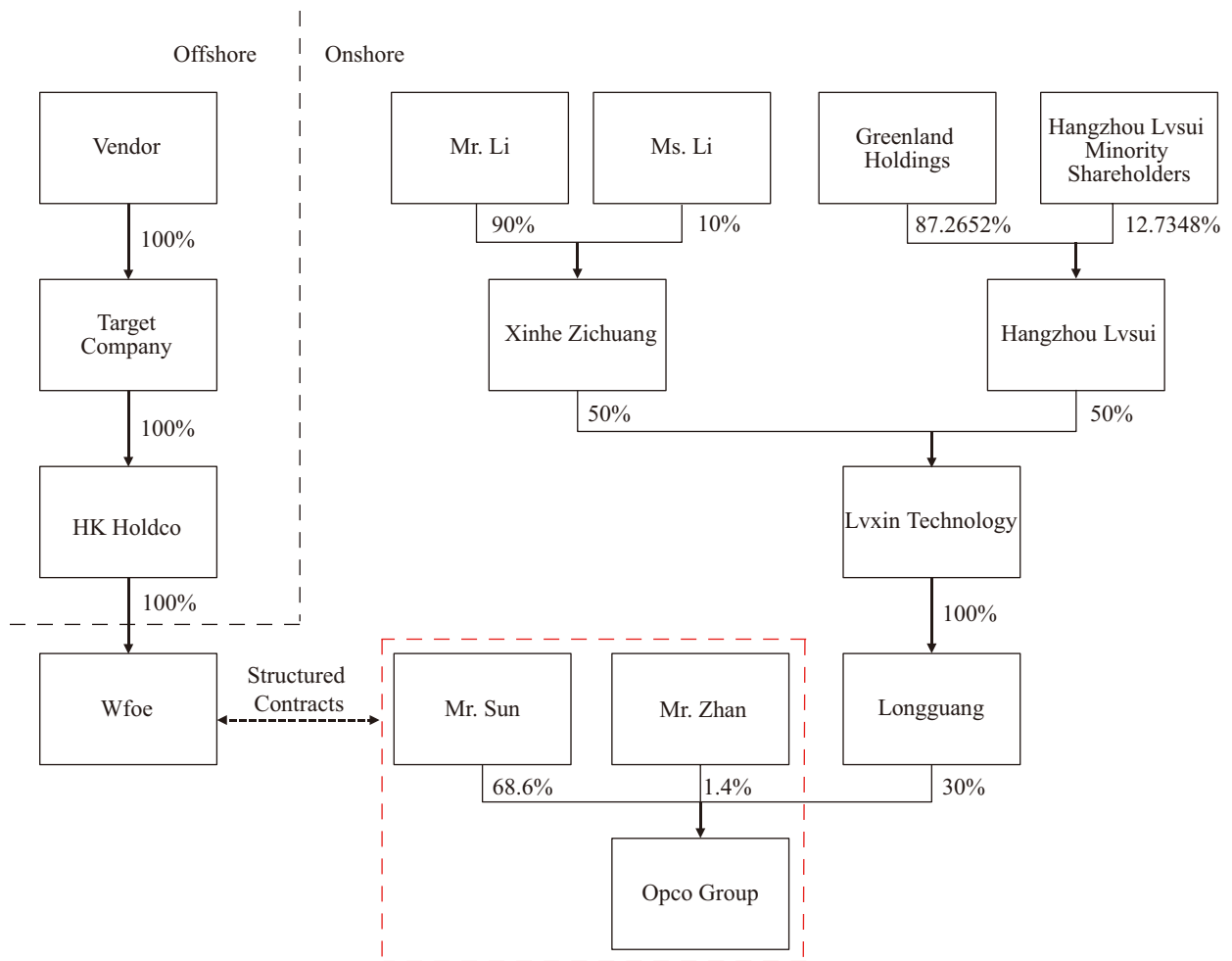
Based on information provided by the Vendor, the financial information of the Target Group as extracted from its audited accounts for the two years ended 31 March 2023 and the eight months ended 30 November 2023, and its unaudited accounts for the eleven months ended 29 February 2024 are summarized as below:

	For the year ended 31 March 2022 (Audited) RMB'000	For the year ended 31 March 2023 (Audited) RMB'000	For the eight months ended 30 November 2023 (Audited) RMB'000	For the eleven months ended 29 February 2024 (Unaudited) RMB'000
Revenue	42,567	85,989	161,931	281,666
Gross profit	22,764	43,639	61,248	133,615
Net (loss)/profit before tax	(9,027)	15,497	(13,826)	(18,489)
Net (loss)/profit after tax	(9,027)	15,497	(13,826)	(18,489)

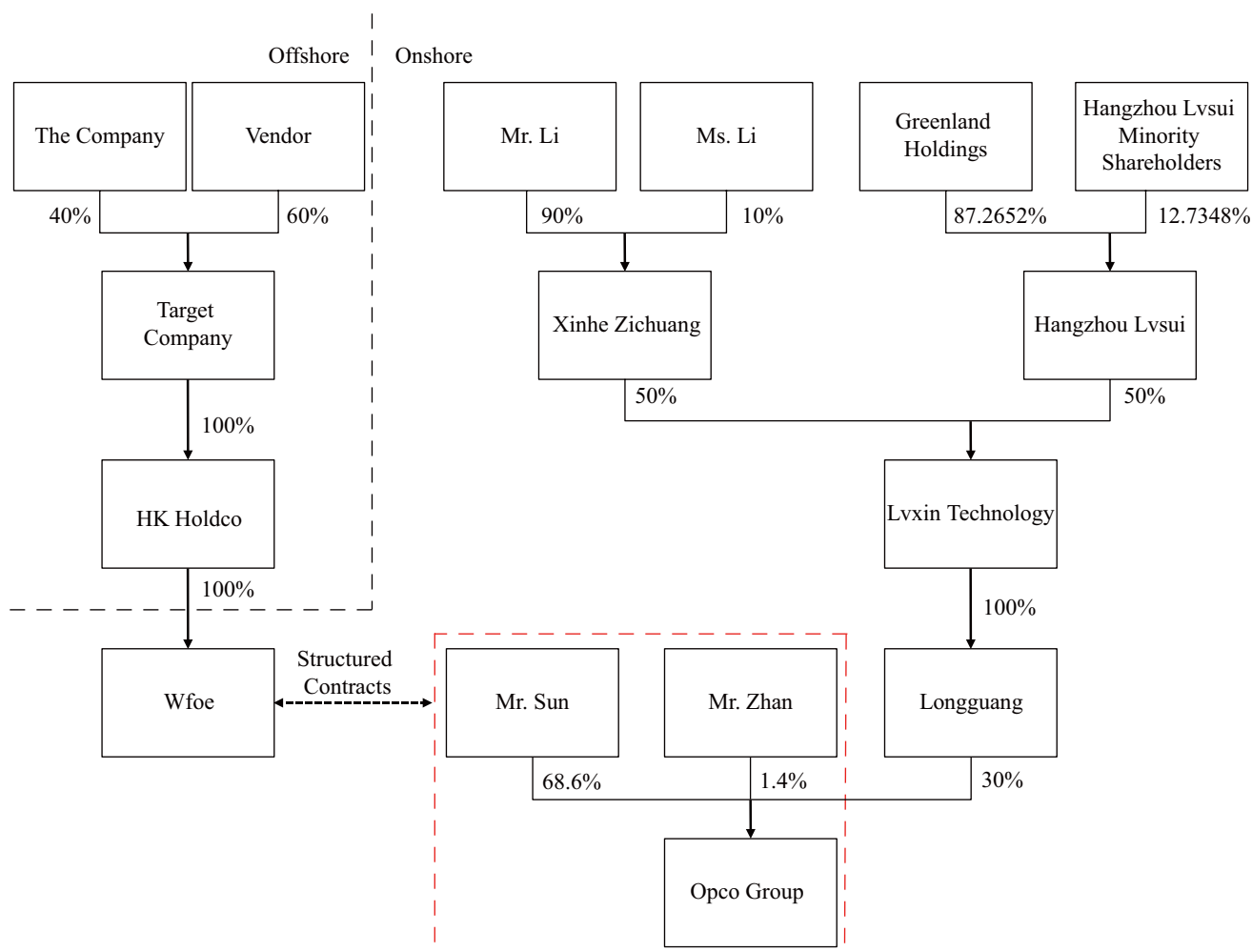
As at 29 February 2024, the unaudited total assets, total liabilities and net assets of the Target Group were approximately RMB878 million, approximately RMB645 million and approximately RMB233 million, respectively. Without taking into account the Excluded Assets and the Excluded Liabilities, the unaudited total assets, total liabilities and net liabilities of the Target Group as at 29 February 2024 would be approximately RMB452 million, approximately RMB546 million and approximately RMB94 million, respectively.

## Group Structure of the Target Group

- (i) The shareholding structure of the Target Group immediately prior to the Completion was as follows:



(ii) The shareholding structure of the Target Group immediately after the Completion is as follows:



## INFORMATION OF THE STRUCTURED CONTRACTS

Prior to the entering into of the Acquisition Agreement, the Structured Contracts have been entered into to enable the Target Company, through Wfoe, to gain effective control of the management, financial and operating policies of, and enjoy 70% of the economic benefits generated by, the Opco Group.

### Reasons for Using the Contractual Arrangements in the Acquisition

The reason for the Target Group and the Registered Shareholders to adopt the Contractual Arrangements was that the relevant business as operated by the Opco, namely, value-added telecommunications services business, is subject to foreign investment restriction under the laws of the PRC, such that the Target Company would not be able to directly own or hold more than 50% equity interest in the Opco.

Foreign investment activities in the PRC are governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (外商投資准入特別管理措施 (負面清單) (2021年版)) (the “**Negative List**”) which was promulgated and are amended from time to time jointly by National Development and Reform Commission (“**NDRC**”) and the Ministry of Commerce of the PRC. Value-added telecommunications services business is included in the categories of industries in which foreign investment is restricted to a non-controlling equity interest of not exceeding 50%.

According to the Regulations on the Administration of Foreign-invested Telecommunication Enterprises (2016 Amended) (外商投資電信企業管理規定 (2016年修訂)) (“**FITE Regulations**”), (i) the ratio of investment by a foreign investor in a company providing value-added telecommunications services shall not exceed 50%, and (ii) a foreign investor who invests in a value-added telecommunications services company shall have a good track record and operational experience in providing value-added telecommunications business (the “**Track Record Requirement**”) in the PRC. In this regard, the Company was advised by its PRC legal advisers that the PRC government has not promulgated any detailed rules, measures, guidelines or standard of reference as to what would constitute such Track Record Requirement. In addition, the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法) issued by the PRC State Council on 25 September 2000 and amended on 8 January 2011 regulates the provision of internet information services, requiring profitable internet information service providers to obtain the ICP (Internet Content Provider) License from the relevant authorities. Given that the Target Company was not formerly engaged in telecommunication business, there appear to be significant uncertainty as to whether the Target Company can satisfy the Track Record Requirement. The Target Company is of the view that it is not viable for it to hold the Opco Group directly through equity ownership. In line with common practice in industries subject to foreign investment restrictions in the PRC, the Target Company decides that it should gain effective control over the Opco Group and receive the economic benefits generated by it through the Contractual Arrangements using VIE structure.

### **Contractual Arrangements and the Structured Contracts**

In light of such foreign ownership prohibition, Wfoe entered into the Structured Contracts to control and capture 70% of the economic benefits of the Opco Group.

Set out below is a summary of the major terms of the Structured Contracts:

#### **(i) Exclusive Service Agreement**

An exclusive service agreement (the “**Exclusive Service Agreement**”) dated 11 April 2024 has been entered into between Wfoe and Opco, pursuant to which Wfoe agreed to provide to Opco consulting services including (i) market research; (ii) business development and market consultation; (iii) consulting services in respect of labor matters; (iv) construction and maintenance of information networks and network security; (v) technical support for software and technology; and (vi) other services in relation to its business operations. Under the Exclusive Service Agreement, Wfoe is entitled to charge service fees to Opco which is equivalent to 70% of the combined net profits of the Opco Group.

*(ii) Business Cooperation Agreement*

A business cooperation agreement (the “**Business Cooperation Agreement**”) dated 11 April 2024 has been entered into between Wfoe, Opco and all its shareholders (i.e. Mr. Sun, Mr. Zhan and Longguang, collectively, the “**Opco Shareholders**”), pursuant to which: (a) Opco shall not (and Opco Shareholders shall procure Opco not to), without first obtaining Wfoe’s consent, make certain material decisions such as merger, reorganisation, acquisition, investment, disposal, offering of loan, incurring of debt, provision of guarantee, security or encumbrance, hire and fire of key management, amendment of constitution, increase, decrease or alteration of registered capital, distribution of dividend, material contracts, liquidation, etc.; (b) Opco shall (and Opco Shareholders shall procure that Opco does so) accept suggestions raised by Wfoe over key management decisions, conduct business in accordance with good standards and practices, provide information to Wfoe, etc.; and (c) Opco shall not declare dividends to its shareholders without the prior consent of Wfoe and if it does so, Longguang may retain its 30% entitlement but the Registered Shareholders shall pass on the 70% entitlement to Wfoe.

*(iii) Loan Agreement*

A loan agreement (the “**Loan Agreement**”) dated 11 April 2024 has been entered into between the Wfoe (as lender) and the existing Registered Shareholders (i.e. Mr. Sun and Mr. Zhan) (as borrowers), pursuant to which the Wfoe has granted to the Registered Shareholders a term loan in the principal amount of RMB301.7 million for a term of 10 years (which will be automatically renewable for successive periods of five years unless terminated by notice by the Wfoe). Under the terms of the Loan Agreement, (i) the Registered Shareholders are not permitted to repay any loan without prior written consent of the Wfoe; (ii) the loan shall be secured by the equity pledge over 70% equity interest in Opco held by the Registered Shareholders (the “**Pledged Equity**”) given under the Equity Pledge Agreement, and may be repaid through the exercise of the option over the Pledged Equity granted under the Exclusive Purchase Option Agreement; but (iii) save and except the Pledged Equity, the lender shall have no recourse to other assets of the borrower(s).

*(iv) Exclusive Purchase Option Agreement*

An exclusive purchase option agreement (the “**Exclusive Purchase Option Agreement**”) dated 11 April 2024 has been entered into between the Wfoe, the Opco and the existing Registered Shareholders (i.e. Mr. Sun and Mr. Zhan), pursuant to which the Registered Shareholders irrevocably granted to the Wfoe or its designee(s) an exclusive option to purchase, at any time if and when permitted under the PRC laws, all or part of their equity interests in the Opco at the agreed price, being the higher of (i) the principal of the loan granted under the Loan Agreement; and (ii) the lowest price permissible under the PRC laws, and requiring the Registered Shareholders to return to the Wfoe or its nominee any consideration that the Registered Shareholders had received from the Wfoe for the acquisition of the equity interests in the Opco.

(v) ***Equity Pledge Agreement***

An equity pledge agreement (the “**Equity Pledge Agreement**”) dated 11 April 2024 has been entered into between the Wfoe, the Opco and the existing Registered Shareholders (i.e. Mr. Sun and Mr. Zhan), pursuant to which the Registered Shareholders (as pledgors) pledged 68.6% and 1.4% equity interests in the Opco in favour of the Wfoe (as pledgee) to guarantee the amounts due under the Loan Agreement and the performance of Opco’s obligations under the Exclusive Service Agreement. Pursuant to the Equity Pledge Agreement, the Wfoe is entitled to all of the benefits arising from the pledged equity interests including dividends.

(vi) ***Voting Right Proxy Agreements***

Voting right proxy agreements (the “**Voting Right Proxy Agreements**”) dated 11 April 2024 have been entered into between the Wfoe, the Opco and the Opco Shareholders, pursuant to which the Opco Shareholders (as appointers) granted to the Wfoe the power to exercise the rights as the registered shareholders of the Opco including the rights to (i) vote in a shareholders’ meeting, sign minutes and resolutions, (ii) amend the articles of association, (iii) appoint, select or replace directors, supervisors and senior executives, (iv) transfer or otherwise dispose of the equity interest in the Opco, (v) increase or reduce the registered capital of the Opco, (vi) merge, divide, dissolve or liquidate the Opco, and (vii) exercise all of the rights of the registered shareholders of the Opco under the PRC laws or the articles of association of the Opco. Under the terms of the Voting Right Proxy Agreements, the Opco Shareholders may not transfer all or any part of their equity interest in the Opco without the prior written consent of the Wfoe.

(vii) ***Spousal Undertakings***

Undertakings (the “**Spousal Undertakings**”) dated 11 April 2024 have been executed by the existing Registered Shareholders (i.e. Mr. Sun and Mr. Zhan), and their respective spouses such that the relevant spouse recognized that the equity interests held by the relevant Registered Shareholder in the Opco do not form part of their matrimonial property and containing a renunciation by the spouse of the Registered Shareholder on any right to the Opco.

## **Dispute Resolutions**

The terms of the Structured Contracts provide that the arbitration tribunal may award remedies over the equity interests or assets of the Opco, or order the winding up of the Opco. The Structured Contracts also include a clause in relation to dispute resolution among the parties whereby, when awaiting the formation of the arbitration tribunal or otherwise under appropriate conditions, the parties thereto may seek temporary injunctive relief or other temporary remedies from the courts in relevant jurisdictions which include Hong Kong and the PRC (being the locations where the principal assets of the Opco are located).



## **Protection of the Interest and Assets of the Opco**

The Structured Contracts include a provision that each agreement is binding on the liquidators, the successors and permitted assignees of the respective parties. In the event of death, bankruptcy or divorce of a Registered Shareholder(s), the Wfoe may exercise its option(s) under the Exclusive Purchase Option Agreement to replace the relevant party of such registered shareholder, thus protecting the interest of the Wfoe and allowing the Wfoe to enforce its rights under the Structured Contracts against the liquidators, the successors and permitted assignees of such Registered Shareholder(s).

## **Legality under the PRC Law**

It is the view of the Directors that the Structured Contracts have been narrowly tailored to minimise the potential conflict with relevant PRC laws and regulations. The PRC legal advisers of the Company has also confirmed to the Company that: (a) the Structured Contracts comply with the PRC laws, rules and regulations, including those applicable to the business of the Wfoe and the Opco; (b) the Structured Contracts would not be deemed as “concealing illegal intentions with a lawful form” and void under the PRC contract law; (c) the target business is not one of which foreign investors are specifically disallowed by the relevant laws and regulations in the PRC from using agreements (including through Contractual Arrangements or those under the Structured Contracts) to gain control or operate. The Company will monitor the development of the relevant PRC laws, including to request the Target Group to unwind the Contractual Arrangements under the Structured Contracts to the extent possible and practicable under the relevant PRC laws and regulations.

As advised by the Company’s PRC legal advisers, the Structured Contracts do not require any approvals from the PRC governmental authorities, except that: (1) the exercise of the option by the Wfoe of the Exclusive Purchase Option Agreement to acquire all or part of the equity interests in the Opco are subject to the approvals of, consent of, filing with and/or registrations with the PRC governmental authorities; (2) the pledges under the Equity Pledge Agreement is required to be registered with the competent administration bureau for market regulation; and (3) the arbitration awards/interim remedies provided under the dispute resolution provision of the Structured Contracts must be recognized by the PRC Courts before compulsory enforcement. Based on the above, the Directors believe that the Structured Contracts conferring significant control and economic benefits from the Opco to the Wfoe are enforceable under the relevant laws and regulations.

## **Internal Control**

The parties have put in place internal control measures to enable the Wfoe to exercise effective internal control over and to safeguard the assets of the Opco Group. Under the Exclusive Purchase Option Agreement, the Registered Shareholders: (a) shall not sell, transfer, pledge or otherwise dispose of or encumber the assets of the Opco without the prior consent of the Wfoe; (b) shall procure that the Opco operates its business activities in a prudent and effective manner according to the good financial and business standards and maintain asset value of the Opco; and (c) shall meet all request of the Wfoe for the provision of business and financial information of the Opco.

## **Potential Conflicts of Interest**

To mitigate any potential conflict of interest, the Registered Shareholders granted the Voting Right Proxy Agreements to appoint the Wfoe as their proxy to act on their behalf on matters concerning their rights as the shareholders of the Opco.

## **Risks Associated with the Use of the Contractual Agreements**

### **(1) *FIL Law***

On 15 March 2019, the Foreign Investment Law (the “**FIL Law**”) was formally passed by the 13th National People’s Congress and has taken effect on 1 January 2020 and became the legal foundation for foreign investment in the PRC. However, the FIL Law does not explicitly stipulate the Contractual Arrangements as a form of foreign investment. As advised by the Company’s PRC legal adviser, Contractual Arrangements are not currently specified as foreign investment under the FIL Law. Assuming that no future laws, administrative regulations or provisions prescribed by the State Council were to change the present state of law by categorizing Contractual Arrangements as a form of foreign investment, the Structured Contracts and the Contractual Arrangements thereunder should continue to be legal, valid and binding on the parties.

Notwithstanding the above, the PRC legal advisers have advised the Company that there exist uncertainties regarding the interpretation and application of the PRC laws and regulations regarding the performance and enforcement of Contractual Arrangements. As such, there can be no assurance that the relevant PRC regulatory authorities will not, in the future, determine that the Contractual Arrangements are in breach of applicable PRC laws. If the Contractual Arrangements are found to be in breach of any existing or future PRC laws, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including revoking the business and operating licenses held by the Opco Group, restricting or prohibiting any transactions between the Wfoe and the Opco, imposing penalties or other requirements with which the Wfoe or the Opco may not be able to comply, or requiring the Wfoe or the Opco to restructure the relevant ownership, control or operating structure of the relevant company or its business. The imposition of any of these penalties or requirements could result in a

material and adverse effect on its business, and could even result in the Wfoe or the Opco being required to cease the relevant businesses completely. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as of the date of this announcement, the Vendor, the Target Company, HK Holdco and Wfoe have not encountered any interference from any governing bodies in operating its business through the Opco under the Contractual Arrangements.

**(2) *Tax implications***

Under the PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The Target Group could face material adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements do not represent arm's length negotiations and consequently adjust the income and expenses of the Wfoe for the PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect the Target Group's financial position by increasing the relevant tax liabilities of the Wfoe without reducing the tax liabilities of the Opco. In addition, the PRC tax authorities may impose late payment fees and other penalties on the Wfoe for any unpaid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on the Target Group's financial position and results of operations.

Under the Exclusive Purchase Option Agreement, the Wfoe is granted the exclusive option to, when the relevant PRC laws and regulations permit, purchase from the Registered Shareholders all or part of their equity interests in the Opco at a pre-determined option exercise price. In the event that the relevant PRC authorities determine that the option exercise price is below the market value, the Wfoe may be required to pay enterprise income tax with reference to the market value such that the amount of tax may be substantial, which could materially and adversely affect the business, financial condition and results of operations of the Target Group.

**(3) *Effectiveness of management and flow of economic benefits through the Contractual Arrangements***

The Target Group relies on the Wfoe's rights under the Structured Contracts to effect changes in the management of the Opco and make an impact on its business decision making, as opposed to exercising its rights directly as a shareholder. If the Opco or the Registered Shareholders refuse to cooperate, it will take time for the Target Group to enforce the contract to exert effective control, exposing the Target Group to time delay, litigation uncertainties and business disruptions in the meantime.

**(4) *No insurance covering the risks of the Contractual Arrangements***

The insurance of the Group does not cover the risks relating to the Contractual Arrangements and the transactions contemplated thereunder. If any risk arises from the Contractual Arrangements in the future, such as those affecting the enforceability of the Structured Contracts, the results of the Group may be adversely affected. To mitigate the risk, the Group will monitor the relevant legal and operational environment from time to time.

**(5) *Economic risks of the Company***

The Wfoe, as the primary beneficiary of the Opco, is not obligated under any of the Structured Contracts to share the losses of the Opco or provide financial support to the Opco. Moreover, as a limited liability company, the Opco is solely liable for its own debts and losses. However, since the relevant parties have already entered into the Structured Contracts, the financial results of the Opco will be consolidated into the financial statements of the Target Group and it is likely that the Target Group's business and financial position will be affected if the Opco suffer losses or fails to obtain the requisite licenses and approvals to continue operating its business in the PRC.

**(6) *Arrangement when potential conflicts of interest arise***

The Wfoe relies on the Structured Contracts to exercise control over and to draw the economic benefits from the Opco. The Wfoe may not be able to provide sufficient incentives to the Registered Shareholders for the purpose of encouraging them to act in the best interests of the Opco, other than stipulating the relevant obligations in the Structured Contracts. The Registered Shareholders may refuse to comply with the Structured Contracts in the event of conflicts of interest or deterioration of their relationship with the Wfoe, the results of which may have a material adverse impact on the Wfoe's business, prospects and results of operation.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the meanings ascribed to them below:

“Acquired Interest”	40% of the issued share capital (and shareholder’s loan, if any) of the Target Company acquired by the Company from the Vendor in the Acquisition
“Acquisition”	the acquisition of the Acquired Interest by the Company from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	a sale and purchase agreement entered into between the Company, the Vendor and the Target Company on 17 June 2024 in relation to the Acquisition
“associate(s)” and “close associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Baishunyun”	深圳佰順雲科技有限公司 (Shenzhen Baishunyun Technology Co., Ltd*), a company incorporated in the PRC with limited liability and wholly owned by the Opco
“Board”	the board of Directors
“Business Cooperation Agreement”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“business day”	a day on which banks in Hong Kong are open for business and the Stock Exchange is open for business of dealing in securities, other than a Saturday or Sunday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Company”	Energy International Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 353, being the purchaser of the Acquired Interest under the Acquisition Agreement

“Completion”	completion of the Acquisition in accordance with the terms and subject to the Conditions of the Acquisition Agreement
“Conditions”	the conditions precedent to the Completion as contained in the Acquisition Agreement and summarized in the subparagraph headed “Conditions precedent” under the section headed “THE ACQUISITION AGREEMENT” in this announcement
“connected person”	having the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration for the Acquisition in the amount of RMB200,000,000 (equivalent to approximately HK\$215,054,000)
“Contractual Arrangements”	depending on the context, may mean: (a) the contractual arrangements under the Structured Contracts, through which the Wfoe effectively enjoys the relevant proportion of economic benefits, controls the management, finance and operations, and consolidates the financial performance and position, of the Opco Group using VIE structure; or (b) just generically, the use of contractual arrangements to gain control in terms of management, finance and operations and the relevant proportion of economic benefits under VIE structure
“Director(s)”	the director(s) of the Company
“Equity Pledge Agreement”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“Exclusive Purchase Option Agreement”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“Exclusive Service Agreement”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“Group”	the Company and its subsidiaries
“HK Holdco”	Prosperous Splendor Investments Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Target Company

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and associates
“Independent Valuer”	APAC Asset Valuation and Consulting Limited, an independent professional valuer
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“Longguang”	深圳龍廣信息科技有限公司 (Shenzhen Longguang Information Technology Co., Ltd*), a company incorporated in the PRC with limited liability, the registered shareholder of 30% of the registered capital of the Opco and an Independent Third Party
“Mr. Cao”	Mr. Cao Sheng, an executive Director and the chairman of the Board
“Mr. Sun”	Mr. Sun YuanDong (孫元棟), the registered shareholder of 68.6% of the registered capital of the Opco and an Independent Third Party
“Mr. Zhan”	Mr. Zhan Guang (占廣), the registered shareholder of 1.4% of the registered capital of the Opco and an Independent Third Party
“Opco”	深圳信合元科技有限公司 (Shenzhen Xinheyuan Technology Co., Ltd*), a company incorporated in the PRC with limited liability and legally owned as to 68.6% by Mr. Sun, 1.4% by Mr. Zhan and 30% by Longguang, respectively
“Opco Group”	the Opco and its subsidiaries
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Promissory Notes”	the three tranches of promissory notes in the aggregate principal amount of RMB80,000,000 issued by the Company to the Vendor (or his designated nominees) in accordance with the terms of the Acquisition Agreement, as part of the Consideration
“Registered Shareholder(s)”	the registered shareholder(s) of 70% of the registered capital of the Opco (i.e., Mr. Sun and Mr. Zhan)
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Spousal Undertakings”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Contracts”	collectively, (i) the Exclusive Service Agreement; (ii) the Business Cooperation Agreement; (iii) the Loan Agreement; (iv) the Exclusive Purchase Option Agreement; (v) the Equity Pledge Agreement; (vi) the Voting Right Proxy Agreements; and (vii) the Spousal Undertaking(s) of the Registered Shareholder(s)
“Target Company”	Prosperous Splendor Global Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by the Vendor
“Target Group”	the Target Company and its subsidiaries, including the Opco Group which are consolidated by Wfoe through Contractual Arrangements
“Valuation”	the valuation of the fair value of 28% equity interest in the Opco as conducted by the Independent Valuer
“Vendor”	Mr. Gu Siyu (顧思宇), the 100% legal and beneficial shareholder of the Target Company prior to the Acquisition, and an Independent Third Party
“VIE”	variable interest entity



“Voting Right Proxy Agreements”	having the meaning ascribed thereto in the section headed “INFORMATION OF THE STRUCTURED CONTRACTS” in this announcement
“Wfoe”	深圳亨晟環球科技有限公司 (Shenzhen Hengsheng Global Technology Co., Ltd.*), a wholly foreign owned enterprise established under the laws of the PRC with limited liability and wholly owned by HK Holdco
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For illustration purposes, unless otherwise specified, amounts in RMB in this announcement have been converted into HK\$ at an exchange rate of HK\$1.00 = RMB0.93.*

By order of the Board  
**Energy International Investments Holdings Limited**  
**Cao Sheng**  
*Chairman*

Hong Kong, 17 June 2024

*As at the date of this announcement, the executive Directors are Mr. Cao Sheng (Chairman), Mr. Liu Yong (Chief Executive Officer), Mr. Chan Wai Cheung Admiral, Mr. Lan Yongqiang, Mr. Shi Jun and Mr. Luo Yingnan; and the independent non-executive Directors are Mr. Tang Qingbin, Mr. Wang Jinghua and Mr. Fung Nam Shan.*

\* *For identification purpose only*