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ZHIDAO INTERNATIONAL (HOLDINGS) LIMITED

志道國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01220)

VOLUNTARY ANNOUNCEMENT FRAMEWORK AGREEMENT IN RELATION TO JOINT VENTURE

This announcement is made by Zhidao International (Holdings) Limited (the “**Company**”) on a voluntary basis.

FRAMEWORK AGREEMENT IN RELATION TO JOINT VENTURE

The board (the “**Board**”) of directors of the Company is pleased to announce that on 9 October 2024, the Company and Belt and Road EPC Limited Partnership Fund (acting via its general partner Belt and Road EPC Capital Limited) (“**BRF**”) entered into a framework agreement (the “**Framework Agreement**”) in relation to a possible joint venture cooperation in certain engineering, procurement and construction (“**EPC**”) projects in Indonesia.

SALIENT TERMS OF THE FRAMEWORK AGREEMENT

Under the Framework Agreement, subject to the terms and conditions of a formal joint venture agreement (the “**Formal Agreement**”), the parties will cooperate by forming a joint venture regarding the execution of the EPC work for a road and port terminal development project and/or other potential toll road construction projects in Indonesia (collectively, the “**Projects**”). The joint venture company taking up the Projects is expected to be held as to 80% by BRF and 20% by the Company. BRF will be responsible to finance the overall EPC cost of the joint venture company for the Projects, and the Company shall not be required to contribute and/or provide any finance or funding to the joint venture company, including the EPC cost of the joint venture company for the Projects, in consideration of a certain number of shares of the Company to be agreed upon subject to the approval and consent of the Board and shareholders (if applicable) of the Company and compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and any applicable rules and regulations of regulating bodies.

Subject to the terms and conditions of the Formal Agreement, the obligations of BRF in the joint venture include (i) procuring and ensuring that the Projects to be injected in the joint venture company; (ii) arranging for all legal opinions and studies and corporate licenses for the application work for the Projects; (iii) preparing all detailed business plans, financing plans, models, desk reviews of feasibility studies and environment studies, technical specifications, equipment lists required for production, commercial proposals for the Projects' costs, and all other required materials for negotiations with the concerned parties; (iv) assisting in preparing all legal documents, financial models, full business plan and evaluations to meet the requirements of the regulatory authorities; and (v) investing in, financing and building an EPC, finance and equity program for the Projects and financing any amount requisite for its operation and investments during the lifetime of the Projects by way of a shareholders' loan. Meanwhile, Zhidao is responsible for providing technical advice and support for the construction of the Projects and assisting in preparing all filing and reporting documents to meet the requirements of the regulatory authorities.

The parties agree to negotiate with each other in relation to the matters contemplated under the Framework Agreement on an exclusive basis for a period of six months from the date of the Framework Agreement.

The Board hereby emphasizes that the Framework Agreement serves as a guiding document for the parties to establish the terms of the cooperation relationship subject to the entering into of the Formal Agreement. Except for the binding terms (such as confidentiality and exclusivity), the Framework Agreement shall have no legal effect and does not constitute any binding obligations on the parties to proceed with any transaction under the Framework Agreement including the entering into of the Formal Agreement.

BACKGROUND OF BRF

BRF is a limited partnership fund under the laws of Hong Kong with the sole purpose of investments in large-scale EPC projects origination in the One Belt One Road countries specifically focusing on roads and bridges EPC, transportation, marine infrastructure, natural resources and mining, metal trading, agriculture, e-payments enterprises.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Zhidao International (Holdings) Limited
Tung Yee Shing
Chairman

Hong Kong, 10 October 2024

As at the date of this announcement, the Board comprises 6 Directors. The executive Directors are Mr. Tung Yee Shing (Chairman), Mr. Zhong Can and Mr. Lam Chun Bun. The independent non-executive Directors are Mr. Li Kam Chung, Mr. Kwok Lap Fung, Beeson and Mr. Wong Wing Cheung.

* For identification purposes only