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Jiyi Holdings Limited
集一控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1495)

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

The Board of the Company is pleased to announce that on 28 December 2020 (after trading hours of the Stock Exchange), the Company has entered into the Strategic Cooperation Framework Agreement with the Potential Vendor in relation to the Possible Acquisition of 51% equity interest of the Potential Vendor.

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

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

The Board is pleased to announce that on 28 December 2020 (after trading hours of the Stock Exchange), the Company has entered into the Strategic Cooperation Framework Agreement with the Potential Vendor in relation to the Possible Acquisition of 51% equity interest of the Target Company.

THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

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

Date: 28 December 2020

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

(2) Shenzhen Funlike E-commerce Limited* (深圳紛來電子商務有限公司) as the Potential Vendor (the Potential Vendor or the Target Company)

The Potential Vendor or the Target Company is established in the PRC with limited liability, and it is principally engaged in providing full process supply chain solution to new retailing companies, and employing “Direct to Sales”# model to integrate industry resources to the service of physical and online retail and corporate clients with stable private traffic.

To the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, the Potential Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

Under the Strategic Cooperation Framework Agreement, it is proposed that the Company will acquire 51% equity interest of the Target Company through subscribing the new shares of the Target Company subject to the terms and conditions of the Formal Agreement.

“Direct To Sales” refers to the retail supply chain service model that directly supplies to sales channels and sales terminals.

Consideration

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

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

Due diligence review

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

Non-legally binding effect

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

Reasons for and benefit of the Possible Acquisition

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

As disclosed in the Company's interim report for the six months ended 30 June 2020, the Group is actively seeking for business breakthrough and transformation with the use of information technology and is also actively looking for new investment opportunities to enhance the Group's profitability and maximize the returns and benefits for the Company's shareholders.

“Directors(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Company and the Potential Vendor in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Acquisition”	the possible acquisition of 51% equity interest of the Target Company from the Potential Vendor to be carried out by the Company as contemplated under the Strategic Cooperation Framework Agreement and is subject to the execution and completion of the Formal Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Framework Agreement”	the non-legally binding Strategic Cooperation Framework Agreement dated 28 December 2020 entered into between the Potential Vendor and the Company setting out the preliminary understanding in relation to the Possible Acquisition

“Potential Vendor” or
“Target Company”

Shenzhen Funlike E-commerce Limited* (深圳紛來電子商務有限公司), a company incorporated in PRC with limited liability

“%”

Percent

By order of the Board
Jiyi Holdings Limited
Hou Wei
Chairlady

Hong Kong, 28 December 2020

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

* *For identification purpose only*