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奇点国际有限公司

Qidian International Co., Ltd.

GREATSSJY CO., LTD.
(Incorporated in the BVI with limited liability)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1280)

- (1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE;**
- (2) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION;**
- (3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY GUOSEN SECURITIES (HK) CAPITAL COMPANY LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF QIDIAN INTERNATIONAL CO., LTD. (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT);**
- (4) CHANGE OF DIRECTOR;**
- (5) PROPOSED APPOINTMENT OF DIRECTOR;**
- (6) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES; AND**
- (7) INCREASE IN AUTHORISED SHARE CAPITAL**

Sole Sponsor to the New Listing Application



Financial Adviser to the Offeror



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



On 23 August 2022 (after trading hours), the Company entered into the Acquisition Agreement with the Vendors, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

The consideration for the Acquisition is HK\$1,995,000,000, and will be settled by the allotment and issue of the Consideration Shares, representing (i) approximately 1,819.59% of the existing issued share capital of the Company as of the date of this joint announcement; and (ii) approximately 94.79% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, at the Issue Price of HK\$0.50 per Consideration Share to the Vendors.

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed(s) 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders at the EGM.

The Acquisition constitutes a reverse takeover for the Company under Rule 14.06B of the Listing Rules. The Company will be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules and the Acquisition is subject to the approval by the Listing Committee of the New Listing Application. The Target Group must be able to meet the requirements under Rule 8.05 of the Listing Rules and the Enlarged Group must be able to meet all the new listing requirements set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules).

As of the date of this joint announcement, none of the relevant materials regarding the New Listing Application has been submitted to the Stock Exchange. The Company will initiate the process of the New Listing Application as soon as practicable.

In addition, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules as (i) Mr. Yuan Li (through his interest in BVI 1, one of the Vendors) and Mr. Xu Xinying (through his interest in BVI 2 and BVI 7, each being one of the Vendors), who as members of the Core Concerted Parties collectively control more than 30% of the issued share capital of the Target Company, are also executive Directors, and (ii) BVI 6, one of the Vendors, is wholly owned by Mr. Yuan Yang, brother of Mr. Yuan Li and member of the Core Concerted Parties. Accordingly, the Acquisition is subject to the Independent Shareholders' approval at the EGM.

It is a condition precedent to the Completion that the approval of the New Listing Application by the Listing Committee be obtained. In the event that the approval for the New Listing Application is not granted by the Listing Committee, the Acquisition Agreement will not become unconditional and the Acquisition and the allotment and issue of the Consideration Shares will not proceed.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

The Vendors, being shareholders of the Target Company and parties to the Acquisition Agreement to whom the Consideration Shares shall be issued upon the Completion, are persons acting in concert in respect of the Company pursuant to the Takeovers Code.

As of the date of this joint announcement, none of the members of the Concerted Group holds, controls or is interested in any Shares except that Mr. Yuan Li controls 65,001,624 Shares (representing approximately 29.64% of the shares in the Company) indirectly through Noble Trade International in his capacity as the controlling shareholder of Noble Trade International and that Mr. Xu Xinying and Mr. Yuan Yang, each being a member of the Concerted Group, are substantial shareholders of Noble Trade International. Immediately following the allotment and issue of the Consideration Shares to the Vendors, the Concerted Group will be interested in approximately 96.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Under Rule 26.1 of the Takeovers Code, the Vendors shall be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Concerted Group. BVI 1 on behalf of itself and the Vendors shall make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Concerted Group.

As of the date of this joint announcement, the Company has 219,279,744 Shares in issue. The Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as of the date of this joint announcement.

Subject to and upon the Completion, Guosen Securities will make the Offer on behalf of the Offeror on the following basis:

For each Offer ShareHK\$0.50 in cash

The Offer Price of HK\$0.50 per Offer Share is the same as the price per Consideration Share.

Immediately following the allotment and issue of the Consideration Shares to the Vendors, the Concerted Group will be interested in approximately 96.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the total number of Offer Shares shall be 154,278,120 Shares, representing approximately 3.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. On the assumption that the Offer is accepted in full by the Offer Shareholders, and on the basis that there are 154,278,120 Offer Shares and the Offer Price being HK\$0.50 per Offer Share, the value of the Offer shall be HK\$77,139,060.

Guosen Securities, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of fund required to be paid by the Offeror upon full acceptance of the Offer.

CHANGE OF DIRECTOR

BVI 12 is wholly owned by Beijing Houyishengrong, a limited liability partnership which is managed and operated by its general partner, Xinyu HopePe, a limited liability partnership which is managed and operated by its general partner, Beijing HopePe, a limited liability company which is owned as to 40.00% by Mr. Zhao Jinyong (趙金勇). Immediately upon the Completion, Mr. Zhao Jinyong (趙金勇) will be deemed to be interested in 3.05% of the issued share capital of the Company through BVI 12. In light of Mr. Zhao Jinyong (趙金勇)'s interest in BVI 12, Mr. Zhao Jinyong (趙金勇) is considered to have a direct interest in the Acquisition, the Specific Mandate, the Offer and the transactions contemplated thereunder, and has resigned as an independent non-executive Director, the chairman of each of the audit committee and remuneration committee of the Company and a member of the nomination committee of the Company with effect from the date of this joint announcement.

Pursuant to Rule 7 of the Takeovers Code, once a bona fide offer has been communicated to the board of the offeree company or the board of the offeree company has reason to believe that a bona fide offer is imminent, except with the consent of the Executive, the directors of an offeree company should not resign until the first closing date of the offer, or the date when the offer becomes or is declared unconditional, or shareholders have voted on the waiver of a general offer obligation under Note 1 on dispensations from Rule 26, whichever is the later.

The Company has applied to the Executive for its consent to the resignation of Mr. Zhao Jinyong (趙金勇) pursuant to Note 2 to Rule 7 of the Takeovers Code with effect from the date of this joint announcement and the Executive has granted the consent. Mr. Zhao Jinyong (趙金勇) has resigned as independent non-executive Director with effect from the date of this joint announcement. Mr. Zhao Jinyong (趙金勇) has confirmed to the Company that he has no disagreement with the Board and that he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board is pleased to announce that with effect from the date of this joint announcement, Mr. Zhang Yihua (張軼華) has been appointed as an independent non-executive Director, the chairman of each of the audit committee and remuneration committee of the Company and a member of the nomination committee of the Company. Mr. Zhang Yihua (張軼華) is independent of, and not acting in concert with, the Concerted Group.

Following the above changes, the Board comprises three executive Directors, namely Mr. Yuan Li, Mr. Xu Xinying and Ms. Liu Simei (劉思鎂), a non-executive Director, namely Ms. Xu Honghong (徐紅紅) and three independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才).

PROPOSED APPOINTMENT OF DIRECTOR

The Offeror intends to appoint the Proposed Executive Director immediately after the date of posting of the Composite Document (being the earliest time permitted under the Takeovers Code). Immediately upon the appointment of the Proposed Executive Director, the Board will comprise eight members, including four executive Directors, one non-executive Director and three independent non-executive Directors. The biographical details of the Proposed Executive Director will be included in the Circular.

THE INDEPENDENT BOARD COMMITTEE, THE OFFER INDEPENDENT BOARD COMMITTEE, THE SOLE SPONSOR, THE FINANCIAL ADVISER AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才), has been formed to advise the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

The Offer Independent Board Committee comprising the non-executive Director, namely Ms. Xu Honghong (徐紅紅) and all the independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才), has been formed for the purpose of advising the Offer Shareholders in respect of the Offer.

Lego Corporate Finance Limited has been appointed as the Sole Sponsor.

Guosen Securities has been appointed as the Financial Adviser.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

The Company will, with the approval of the Offer Independent Board Committee, appoint an independent financial adviser in accordance with the requirements under the Listing Rules and the Takeovers Code to make recommendations to the Offer Independent Board Committee and the Offer Shareholders as to the fairness and reasonableness of the terms of the Offer and as to acceptance. A further announcement will be made by the Company upon the appointment of the independent financial adviser in due course.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Directors propose to increase the authorised share capital of the Company from US\$12,000,000 divided into 600,000,000 Shares to US\$160,000,000 divided into 8,000,000,000 Shares of US\$0.02 each.

The proposal to increase the authorised share capital of the Company is conditional upon the approval of the Independent Shareholders by way of an ordinary resolution at the EGM.

DESPATCH OF CIRCULAR

The Circular is subject to review and comments by the Stock Exchange and the SFC and will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the New Listing Application. The Circular shall be despatched to the Shareholders within 15 business days from the date of this joint announcement pursuant to Rules 14.60(7) and 14A.68(11) of the Listing Rules. In view of the process required in connection with the New Listing Application and the substantial time needed to prepare and finalise the Circular, the despatch date of the Circular is expected to be postponed to a date on or before 30 November 2022.

Shareholders and potential investors should refer to the Circular for further details of the Acquisition and the New Listing Application.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer accompanied by the acceptance and transfer forms); (ii) a letter of recommendation from the Offer Independent Board Committee to the Offer Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Offer Independent Board Committee in relation to the Offer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offer by the Offeror is subject to the Completion which cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code, an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven days after the Completion Date or 16 January 2023, whichever is earlier, will be made by the Offeror. Further announcements shall be made as and when necessary in this regard.

WARNING

It should be noted that the Acquisition is subject to a number of conditions, which may or may not be fulfilled (or if applicable, waived). In addition, the allotment and issue of the Consideration Shares may or may not materialise. The Listing Committee may or may not grant its approval to the New Listing Application. Further, the Offer shall only be made if the Completion takes place which is subject to the conditions which may or may not be fulfilled (or if applicable, waived) and accordingly, the Offer may or may not proceed. Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the Shares.

THE ACQUISITION

On 23 August 2022 (after trading hours), the Company entered into the Acquisition Agreement with the Vendors, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

The principal terms of the Acquisition Agreement are summarised below.

Date

23 August 2022 (after trading hours)

Parties

- (1) The Company, as the Purchaser; and
- (2) BVI 1, BVI 2, BVI 3, BVI 4, BVI 5, BVI 6, BVI 7, BVI 8, BVI 9, BVI 10, BVI 11, BVI 12 and Ms. Liu, as the Vendors.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company. Through the Acquisition, the Company will indirectly acquire the Target Company's equity interest in its operating subsidiaries in the PRC.

Conditions precedent

Completion is conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (a) the approval by the Independent Shareholders at the EGM of the Acquisition Agreement and the transactions contemplated thereunder, including without limitation,
 - (i) the Specific Mandate in relation to the allotment and issue of the Consideration Shares; and
 - (ii) the increase of the authorised share capital of the Company from US\$12,000,000 divided into 600,000,000 Shares to US\$160,000,000 divided into 8,000,000,000 Shares;
- (b) the Company having conducted and completed the due diligence review over the financial, legal, business, operational and other matters of the Target Group as determined by the Company and the results of such review being satisfactory to the Company in its absolute discretion;
- (c) all necessary licences, consents, approvals, authorisations, permissions, waivers, orders, exemptions or notifications of, among others, creditors and shareholders of the Target Group, other relevant third parties and/or governmental or regulatory authorities or bodies (including relevant authorities in the PRC and Hong Kong), which are required for the execution and performance of the Acquisition Agreement or the Completion having been obtained and not having been revoked prior to the Completion;
- (d) no relevant governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that restricts or prohibits the implementation of the transactions contemplated under the Acquisition Agreement;
- (e) the representations and warranties given by the Purchaser remaining true and accurate and not misleading in any material respect as if they were repeated at any time prior to the Completion by reference to the facts and circumstances then existing;
- (f) the representations and warranties given by the Vendors remaining true and accurate and not misleading in any material respect as if they were repeated at any time prior to the Completion by reference to the facts and circumstances then existing;

- (g) the Vendors having performed and complied with all agreements, obligations and conditions contained in the Acquisition Agreement that are required to be performed or complied with by them on or before the Completion;
- (h) each of the Vendors having delivered to the Company a certificate signed by each of its directors or, in case of natural person Vendor, signed by the Vendor personally, certifying that the conditions set out in the Acquisition Agreement have been fulfilled;
- (i) the approval in principle from the Listing Committee of the New Listing Application having been granted and not having been revoked or withdrawn;
- (j) the Listing Committee having granted (either unconditionally or subject only to conventional conditions) the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange and such permission not subsequently being revoked or withdrawn;
- (k) no material adverse change having occurred to the business, operations and financial performance of the Target Group since 30 June 2022; and
- (l) the completion of the increase in authorised share capital of the Company.

The conditions precedent set out in paragraphs (b), (f), (g) and (h) above may be waived by the Company by serving a written notice to the Vendors. The condition precedent set out in paragraph (e) above may be waived by the Vendors by serving a written notice to the Company. Save for the aforementioned, none of the other conditions precedent set out above may be waived by any party.

The Company considers that the option to waive the conditions precedent, in particular, condition precedent (g), to the Acquisition Agreement will provide the Company with more flexibility and certainty in terms of deal execution while complying with mandatory regulatory requirements in Hong Kong and the PRC. Whether or not the abovementioned discretion will be exercised by the Company may depend on a number of factors, including but not limited to, the materiality of the impact of the condition(s) precedent not being satisfied at the relevant time. The Company currently has no intention in waiving any of the conditions precedent set out in paragraphs (b), (f), (g) and (h).

With respect to the condition precedent set out in paragraph (c), as of the date of this joint announcement, there are no licences, consents, approvals, authorisations, permissions, waivers, orders, exemptions or notifications of, among others, creditors and shareholders of the Target Group, other relevant third parties and/or governmental or regulatory authorities or bodies (including relevant authorities in the PRC and Hong Kong), which are required for the execution and performance of the Acquisition Agreement or the Completion.

As of the date of this joint announcement, none of the conditions precedent set out above has been satisfied.

If any of the conditions precedent set out above has not been fulfilled (or, if applicable, waived by the Company or the Vendors in writing) on or before the Long-stop Date, the Acquisition Agreement will terminate with immediate effect and the parties thereto shall have no further obligations or liabilities thereunder save for antecedent breach.

Consideration

The consideration for the Acquisition is HK\$1,995,000,000. It will be settled by the allotment and issue of the Consideration Shares at the Issue Price to the Vendors in proportion to their respective shareholding (or their respective nominee shareholding) in the Target Company. The consideration was determined after arm's length negotiations among the Company and the Vendors with reference to, (i) the prospects of the Target Group's business; (ii) the financial performance of the Target Group; (iii) the preliminary valuation of the Target Group based on market approach as assessed by Ravia Global Appraisal Advisory Limited, an independent valuer; (iv) the reasons for and benefits of the Acquisition to the Group following the Completion as set out in the section headed "Reasons for and Benefits of the Acquisition" below; and (v) the prevailing market prices of the Shares and the recent market conditions.

The Consideration Shares

The Consideration Shares represent (i) approximately 1,819.59% of the existing issued share capital of the Company as of the date of this joint announcement; and (ii) approximately 94.79% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares immediately upon the Completion (assuming that there is no change in the issued share capital of the Company from the date of this joint announcement to the Completion Date, save as the issue of the Consideration Shares). The Consideration Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects inter se and with all the other Shares in issue as of the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, the record date for which falls on or after the date of such allotment and issue.

Further details on the effect of the Acquisition on the shareholding structure of the Company are set out in the section headed "Effect on the Shareholding Structure of the Company due to the Acquisition" below.

Non-disposal undertakings

Pursuant to Rule 10.07 of the Listing Rules, each of the members of the Core Concerted Parties will undertake to the Company and the Stock Exchange that it/he shall not, and shall procure that any other registered holder (if any) controlled by it/he shall not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirements of the Listing Rules:

- (a) during the period commencing from the Completion Date up to and including the date which is six months from the Completion Date (the “**First Six-month Period**”), dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it/he is shown by the Circular to be the beneficial owner (as defined in Rule 10.07(2) of the Listing Rules) (the “**Parent Shares**”); or
- (b) during the period of six months immediately following the expiry of the First Six-month Period, dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Parent Shares if, immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he shall cease to be a controlling shareholder (as defined in the Listing Rules) of the Company.

Pursuant to the Acquisition Agreement and as a gesture of their support to, and confidence in, the Company upon the Completion, Mr. Wang Yue (王玥) (a lecturer of the Target Group), Mr. Zhuang Liangbao (莊良寶) (the Proposed Executive Director), BVI 5 (the Vendor controlled by Mr. Wang Yue (王玥)) and BVI 3 (the Vendor controlled by Mr. Zhuang Liangbao (莊良寶)) signed a deed of undertaking in favour of the Company that each of them shall not dispose of nor enter into any agreement to dispose of, pledge, assign, or otherwise create any options, rights, interests or encumbrances in respect of the Shares beneficially owned by each of them within the period commencing from the date of issue of the Consideration Shares under the Acquisition Agreement up to and including the date which is twelve months from the Completion Date (the “**Voluntary Non-disposal Undertaking**”).

The Issue Price

The Issue Price is HK\$0.50 per Consideration Share. The Issue Price was determined by the Purchaser and the Vendors after arm’s length negotiations, with reference to, among others, (i) the financial position of the Company; (ii) the prevailing market price of the Shares; and (iii) the current market conditions. The Issue Price represents:

- (a) a discount of approximately 12.28% to the closing price per Share of HK\$0.57 as quoted on the Stock Exchange on the Last Trading Date;

- (b) a discount of approximately 12.28% to the average of the closing price per Share of approximately HK\$0.57 for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (c) a discount of approximately 11.97% to the average of the closing price per Share of approximately HK\$0.57 for the last ten trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (d) a discount of approximately 15.78% over the average of the closing price per Share of approximately HK\$0.59 for the last thirty trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (e) a premium of approximately HK\$2.34 over the Group's audited net liabilities of approximately RMB1.60 per Share (equivalent to approximately HK\$1.84 per Share[#]) as of 31 December 2021 based on the audited net liabilities attributable to the Shareholders of RMB351,735,000 with 219,279,744 Shares in issue as of 31 December 2021; and
- (f) a premium of approximately HK\$2.51 over the Group's unaudited net liabilities of approximately RMB1.75 per Share (equivalent to approximately HK\$2.01 per Share[#]) as of 30 June 2022 based on the unaudited net liabilities attributable to the Shareholders of RMB383,510,000 as disclosed in the interim results announcement of the Company for the six months ended 30 June 2022 with 219,279,744 Shares in issue as of 30 June 2022.

[#] *For the purpose of this announcement, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB0.87 to HK\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in RMB or HK\$ have been, could have been or may be converted at such or any other rate or at all.*

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Completion

Completion is scheduled to take place on the fifth business day after the last condition precedent having been fulfilled (or, if applicable, waived).

Immediately upon the Completion, the Target Company will become a wholly-owned subsidiary of the Company.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY DUE TO THE ACQUISITION

As of the date of this joint announcement, the Company has 219,279,744 Shares in issue.

The shareholding structure of the Company (i) as of the date of this joint announcement; and (ii) immediately upon the Completion, assuming that no further Shares will be allotted and issued after the date of this joint announcement and prior to the Completion is as follows:

Shareholder	Director/Proposed Executive Director controlling the Shareholder	Shareholding as of the date of this joint announcement		Shareholding immediately upon the Completion and allotment and issue of the Consideration Shares			
		No. of Shares	%	No. of Consideration Shares to be issued		No. of Shares	%
<i>Members of the Concerted Group⁽¹⁾</i>							
<i>Members of the Core Concerted Parties</i>							
Noble Trade International ⁽²⁾⁽³⁾	Mr. Yuan Li and Mr. Xu Xinying	65,001,624	29.64	—	65,001,624	1.54	
BVI 1 ⁽³⁾	Mr. Yuan Li	—	—	1,140,281,602	1,140,281,602	27.09	
BVI 2 ⁽³⁾	Mr. Xu Xinying	—	—	420,382,286	420,382,286	9.99	
BVI 6 ⁽³⁾	—	—	—	181,592,518	181,592,518	4.31	
BVI 7 ⁽³⁾	Mr. Xu Xinying	—	—	589,929,481	589,929,481	14.02	
Sub-total		65,001,624	29.64	2,332,185,887	2,397,187,511	56.95	
<i>Members of the non-Core Concerted Parties</i>							
BVI 3 ⁽³⁾⁽⁴⁾	Mr. Zhuang Liangbao	—	—	39,873,387	39,873,387	0.95	
BVI 4* ⁽³⁾⁽⁵⁾	—	—	—	409,731,003	409,731,003	9.73	
BVI 5* ⁽³⁾⁽⁵⁾	—	—	—	30,764,557	30,764,557	0.73	
BVI 8* ⁽³⁾⁽⁵⁾	—	—	—	40,003,596	40,003,596	0.95	
BVI 9 ⁽³⁾	—	—	—	703,769,926	703,769,926	16.72	
BVI 10* ⁽³⁾⁽⁵⁾	—	—	—	170,920,109	170,920,109	4.06	
BVI 11* ⁽³⁾⁽⁵⁾	—	—	—	130,549,135	130,549,135	3.10	
BVI 12* ⁽³⁾⁽⁵⁾	—	—	—	128,212,404	128,212,404	3.05	
Ms. Liu* ⁽³⁾⁽⁵⁾	—	—	—	3,989,996	3,989,996	0.09	
Sub-total		—	—	1,657,814,113	1,657,814,113	39.38	
Sub-total in respect of the Concerted Group		65,001,624	29.64	3,990,000,000	4,055,001,624	96.33	

Shareholder	Director/Proposed Executive Director controlling the Shareholder	Shareholding as of the date of this joint announcement		Shareholding immediately upon the Completion and allotment and issue of the Consideration Shares		
		No. of Shares	%	No. of Consideration Shares to be issued	No. of Shares	%
<i>Other Shareholders immediately upon the Completion</i>						
Oupu Shanwei*^	—	23,755,306	10.83	—	23,755,306	0.57
Ruihong Yixing*^	—	23,400,210	10.67	—	23,400,210	0.56
Teng Chun Tak Sing**^	—	17,679,604	8.07	—	17,679,604	0.42
BOCE**^	—	13,095,000	5.97	—	13,095,000	0.31
Ruikē**^	—	11,955,181	5.45	—	11,955,181	0.28
Other public Shareholders as of the date of this joint announcement and immediately upon the Completion**^		64,392,819	29.37	—	64,392,819	1.53
Sub-total		154,278,120	70.36	—	154,278,120	3.67
Total		219,279,744	100.00	3,990,000,000	4,209,279,744	100.00
Public float		107,122,604	48.86	914,170,800	1,068,448,920	25.38

Notes:

- (1) The Vendors, being shareholders of the Target Company and parties to the Acquisition Agreement to whom the Consideration Shares shall be issued upon the Completion, are persons acting in concert in respect of the Company pursuant to the Takeovers Code.
- (2) The 65,001,624 Shares are held by Noble Trade International as beneficial owner as of the date of this joint announcement. Noble Trade International is wholly owned by Mogen Ltd., which is wholly owned by Chongqing Saint, which is in turn owned as to (i) 38.48% by Mr. Yuan Li; (ii) 14.06% by Mr. Xu Xinying; (iii) 14.80% by Xinyu Shengshang; (iv) 3.70% by Hengqin Chengshan; (v) 0.96% by Mr. Wu Jipeng (吳繼朋); (vi) 0.77% by Mr. Wang Yue (王玥); (vii) 2.96% by Mr. Ding Mingqing (丁明清); (viii) 13.23% by Suzhou Xiaoding Shengying; (ix) 4.43% by Suzhou Xiaoding Shengxi; (x) 3.24% by Xinyu Northern Dingyuan; (xi) 2.32% by Shanghai Danzhong Investment; and (xii) 1.05% by Xinyu Northern Huiyuan, respectively.
- (3) Members of the Concerted Group.
- (4) BVI 3 is wholly owned by Mr. Zhuang Liangbao (莊良寶), the Proposed Executive Director.
- (5) The Company expects that none of BVI 4, BVI 5, BVI 8, BVI 10, BVI 11, BVI 12 and Ms. Liu will become a substantial shareholder of the Company upon the Completion, and their respective Shares will be counted towards the public float of the Company.

Except for the Core Concerted Parties, Mr. Zhuang Liangbao (莊良寶), BVI 3 and BVI 9, none of the Vendors or the Vendors' ultimate beneficial owners (i) will become a core connected person of the Company; (ii) agrees to acquire the Consideration Shares by financing provided directly or indirectly by a core connected person; and/or (iii) is accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of the

Consideration Shares, upon the Completion. Accordingly, the Shares held by the Vendors (except for members of the Core Concerted Parties, BVI 3 and BVI 9) should be counted toward the public float of the Company pursuant to the Listing Rules.

Certain amounts and percentages figures included in this table have been rounded to two decimal places. Any discrepancies in this table between total and sum of amounts listed therein are due to rounding.

Shareholders and public investors should note that the above changes in shareholding structure are for illustrative purpose only.

Shares held by public as of the date of this joint announcement.

* *Shares held by public upon the Completion (Note 5).*

^ *Each of Oupu Shanwei, Ruihong Yixing, Teng Chun Tak Sing, BOCE, Ruike and the other public Shareholders as of the date of this joint announcement and immediately upon the Completion and their ultimate beneficial owners are Independent Third Parties and do not have any relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties.*

INFORMATION OF THE VENDORS

(1) BVI 1

Greatssjy Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. Mr. Yuan Li, an existing executive Director, is the sole legal and beneficial owner of the entire issued share capital of BVI 1. As of the date of this joint announcement, BVI 1 held approximately 28.58% of the issued share capital in the Target Company.

(2) BVI 2

Xu Xinying Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. Mr. Xu Xinying, an existing executive Director, is the sole legal and beneficial owner of the entire issued share capital of BVI 2. As of the date of this joint announcement, BVI 2 held approximately 10.54% of the issued share capital in the Target Company.

(3) BVI 3

Zhuanglb Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. Mr. Zhuang Liangbao (莊良寶), the Proposed Executive Director, is the sole legal and beneficial owner of the entire issued share capital of BVI 3. As of the date of this joint announcement, BVI 3 held approximately 1.00% of the issued share capital in the Target Company.

(4) BVI 4

Dopoint Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. Ms. Dong Xiujuan (董秀娟), who was a supervisor of Beijing Qidian Chuangfu and resigned on 10 June 2022, is the sole legal and beneficial owner of the entire issued share capital of BVI 4. As of the date of this joint announcement, BVI 4 held approximately 10.27% of the issued share capital in the Target Company. As of the date of this joint announcement, Ms. Dong Xiujuan (董秀娟) is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties except for (i) her shareholding in the Target Company through BVI 4; and (ii) that she is a non-senior management employee of the finance department of Beijing Shengshang.

(5) BVI 5

Top Vanguard Linkage Innotech Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. Mr. Wang Yue (王玥), who was a director of Beijing Shengshang and resigned on 6 May 2022, is the sole legal and beneficial owner of the entire issued share capital of BVI 5. As of the date of this joint announcement, BVI 5 held approximately 0.77% of the issued share capital in the Target Company. As of the date of this joint announcement, Mr. Wang Yue (王玥) is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties except for (i) his shareholding in the Target Company through BVI 5; (ii) his direct minority shareholding of 0.77% in Chongqing Saint; (iii) Mr. Yuan Li is directly holding 38.48% shareholding in Chongqing Saint; (iv) Mr. Xu Xinying is directly holding 14.06% shareholding in Chongqing Saint; (v) Mr. Yuan Yang and Mr. Xu Xinying are directly holding 80.00% and 20.00% of the partnership interest of Xinyu Shengshang, respectively, which is directly holding 14.80% shareholding in Chongqing Saint; (vi) Mr. Yuan Yang is the general partner of Xinyu Shengshang; (vii) Mr. Yuan Li and Mr. Yuan Yang are directly holding approximately 52.88% and 20.00% of the partnership interest of Hengqin Chengshan which is directly holding 3.70% shareholding in Chongqing Saint; (viii) Mr. Yuan Yang is the general partner of Hengqin Chengshan; (ix) Mr. Wang Yue (王玥) is serving as a lecturer of the Target Group; and (x) Mr. Wang Yue (王玥) is party to the Voluntary Non-disposal Undertaking.

(6) BVI 6

Energystone Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. Mr. Yuan Yang is the sole legal and beneficial owner of the entire issued share capital of BVI 6. As of the date of this joint announcement, BVI 6 held approximately 4.55% of the issued share capital in the Target Company.

(7) BVI 7

Shengshangmingyue Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. BVI 7 is owned as to 80.00% and 20.00% by Mr. Yuan Yang and Mr. Xu Xinying, respectively. As of the date of this joint announcement, BVI 7 held approximately 14.80% of the issued share capital in the Target Company.

(8) BVI 8

Chengshan Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. BVI 8 is owned as to approximately 50.00% each by Mr. Sun Lejiu (孫樂久) and Ms. Liu Liying (劉利英), respectively. As of the date of this joint announcement, BVI 8 held approximately 1.00% of the issued share capital in the Target Company. Mr. Sun Lejiu (孫樂久) was an executive Director who resigned on 26 August 2021. As of the date of this joint announcement, Mr. Sun Lejiu (孫樂久) and Ms. Liu Liying (劉利英) are Independent Third Parties with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties except for (i) their shareholding in the Target Company through BVI 8; (ii) their direct minority partnership interest in Hengqin Chengshan of 13.56% each, a minority shareholder of Chongqing Saint directly holding 3.70% of its shareholding; (iii) Mr. Yuan Li and Mr. Yuan Yang are directly holding approximately 52.88% and 20.00% of the partnership interest of Hengqin Chengshan, respectively; (iv) Mr. Yuan Yang is the general partner of Hengqin Chengshan; (v) Mr. Yuan Li is directly holding 38.48% shareholding in Chongqing Saint; (vi) Mr. Xu Xinying is directly holding 14.06% shareholding in Chongqing Saint; (vii) Mr. Yuan Yang and Mr. Xu Xinying are directly holding 80.00% and 20.00% of the partnership interest of Xinyu Shengshang, respectively, which is directly holding 14.80% shareholding in Chongqing Saint; and (viii) Mr. Yuan Yang is the general partner of Xinyu Shengshang.

(9) BVI 9

Heimazhidi Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. BVI 9 is wholly owned by Beijing Heimazhidi, a limited partnership established in the PRC which is owned as to approximately 99.999% and 0.001% by Xinyu Heimazhidi and Mr. Yuan Yang, respectively. Beijing Heimazhidi is managed and operated by its general partner, Xinyu Heimazhidi.

Xinyu Heimazhidi is a limited partnership established in the PRC which is managed and operated by its general partner, Suzhou Xiaoding Shengying, a limited partnership established in the PRC which is in turn managed and operated

by its general partner, Shanghai Noa, a limited partnership established in the PRC which is owned as to approximately 74.50%, 20.00%, 5.00% and 0.50% by Mr. Han Baoshi (韓寶石), Shanghai Mefund, Mr. Chen Xiang (陳香) and Mr. Wang Donghua (王東華), respectively. The single largest shareholder holding approximately 46.39% of the equity interest of Shanghai Mefund is Mifang Venture Capital, an Independent Third Party.

As of the date of this joint announcement, BVI 9 held approximately 17.64% of the issued share capital in the Target Company.

(10) BVI 10

Guangsudoer Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. BVI 10 is wholly owned by Beijing Guangsudoer, a limited partnership established in the PRC which is owned as to 0.001% by its limited partner, Mr. Yuan Yang and 99.999% by its general partner, Xinyu Gaoxin District Guangsudoer Investment Center (Limited Partnership)* (新余高新區光速多爾投資中心(有限合夥)), a limited partnership established in the PRC which is owned as to 24.54% by its limited partner, Xinyu Northern Huiyuan and 75.46% by its general partner, Xinyu Northern Dingyuan, a limited liability partnership established in the PRC which is owned as to 14.46% by Mr. Yuan Yang, 10.26% by Mr. Zhao Dongyang (趙東陽), 8.20% by Mr. Jiang Bin (姜斌), 0.01% by Northern Financing and 67.07% by 19 other individuals, each holding not more than 7.38% of the partnership interest, and is managed and operated by its general partner, Northern Financing, a limited liability company established in the PRC which is owned as to 80.00% and 20.00% by Mr. Sun Yuedong (孫躍東) and Mr. Li Hua (李華), respectively. As of the date of this joint announcement, BVI 10 held approximately 4.28% of the issued share capital in the Target Company. As of the date of this joint announcement, except for (i) Mr. Sun Yuedong (孫躍東) and Mr. Li Hua (李華) are directly holding 80.00% and 20.00% shareholding of Northern Financing, respectively, which is the general partner of each of (a) Xinyu Northern Dingyuan, a minority shareholder of Chongqing Saint directly holding 3.24% of its shareholding; and (b) Xinyu Northern Huiyuan, a minority shareholder of Chongqing Saint directly holding 1.05% of its shareholding; (ii) Mr. Jiang Bin (姜斌), a minority limited partner of Xinyu Northern Dingyuan directly holding 8.20% of its partnership interest, is the general manager of the sales and marketing department of Beijing Shengshang, who is also a minority limited partner of Suzhou Xiaoding Shengying directly holding 4.99% of its partnership interest, which is a minority shareholder of Chongqing Saint directly holding 13.23% of its shareholding; (iii) Mr. Yuan Yang is a limited partner directly holding 14.46% partnership interest in Xinyu Northern Dingyuan and 5.42% partnership interest in Suzhou Xiaoding Shengying; (iv) Mr. Yuan Li is directly holding 38.48% shareholding in Chongqing Saint; (v) Mr. Xu

Xinying is directly holding 14.06% shareholding in Chongqing Saint; (vi) Mr. Yuan Yang and Mr. Xu Xinying are directly holding 80.00% and 20.00% of the partnership interest of Xinyu Shengshang, respectively, which is directly holding 14.80% shareholding in Chongqing Saint; (vii) Mr. Yuan Yang is the general partner of Xinyu Shengshang; (viii) Mr. Yuan Li and Mr. Yuan Yang are directly holding approximately 52.88% and 20.00% of the partnership interest of Hengqin Chengshan which is directly holding 3.70% shareholding in Chongqing Saint; (ix) Mr. Yuan Yang is the general partner of Hengqin Chengshan; and (x) their shareholding in the Target Company through BVI 10, the ultimate beneficial owners of BVI 10 are Independent Third Parties with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties except for their shareholding interest in the Target Company.

(11) BVI 11

Dixingjingliu Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. BVI 11 is wholly owned by Beijing Dixingjingliu, a limited liability partnership established in the PRC which is owned as to 99.999% by Xinyu Dixingjingliu and 0.001% by Ms. Zhou Xiuzhen (周秀珍), respectively, and is managed and operated by its general partner, Xinyu Dixingjingliu, a limited liability company established in the PRC which is owned as to 1.00% by Ms. Zhou Xiuzhen (周秀珍) and 99.00% by Xinyu Gaoxin Northern Chuangda, a limited liability partnership established in the PRC which is owned as to 2.04% by Mr. Jiang Bin (姜斌), 0.02% by Northern Financing and 97.94% by 48 other individuals each holding not more than 2.04% of the partnership interest, respectively, and is managed and operated by Northern Financing, a limited liability company established in the PRC which is owned as to 80.00% and 20.00% by Mr. Sun Yuedong (孫躍東) and Mr. Li Hua (李華), respectively. As of the date of this joint announcement, BVI 11 held approximately 3.27% of the issued share capital in the Target Company. As of the date of this joint announcement, except for (i) Mr. Sun Yuedong (孫躍東) and Mr. Li Hua (李華) are directly holding 80.00% and 20.00% shareholding of Northern Financing, respectively, which is the general partner of each of (a) Xinyu Northern Dingyuan, a minority shareholder of Chongqing Saint directly holding 3.24% of its shareholding; and (b) Xinyu Northern Huiyuan, a minority shareholder of Chongqing Saint directly holding 1.05% of its shareholding; (ii) Mr. Yuan Yang is a limited partner directly holding 14.46% partnership interest in Xinyu Northern Dingyuan; (iii) Mr. Jiang Bin (姜斌), a minority limited partner of Xinyu Gaoxin Northern Chuangda directly holding 2.04% of its partnership interest, is the general manager of the sales and marketing department of Beijing Shengshang, who is also a minority limited partner of Suzhou Xiaoding Shengying directly holding 4.99% of its partnership interest, which is a minority shareholder of Chongqing Saint directly holding 13.23% of its shareholding; (iv) Mr. Yuan Li is

directly holding 38.48% shareholding in Chongqing Saint; (v) Mr. Xu Xinying is directly holding 14.06% shareholding in Chongqing Saint; (vi) Mr. Yuan Yang and Mr. Xu Xinying are directly holding 80.00% and 20.00% of the partnership interest of Xinyu Shengshang, respectively, which is directly holding 14.80% shareholding in Chongqing Saint; (vii) Mr. Yuan Yang is the general partner of Xinyu Shengshang; (viii) Mr. Yuan Li and Mr. Yuan Yang are directly holding approximately 52.88% and 20.00% of the partnership interest of Hengqin Chengshan which is directly holding 3.70% shareholding in Chongqing Saint; (ix) Mr. Yuan Yang is the general partner of Hengqin Chengshan; and (x) their shareholding in the Target Company through BVI 11, the ultimate beneficial owners of BVI 11 are Independent Third Parties with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties.

(12) BVI 12

Houyishengrong Co., Ltd., a limited company incorporated under the laws of the BVI, is an investment holding company. BVI 12 is wholly owned by Beijing Houyishengrong, a limited liability partnership established in the PRC which is managed and operated by its general partner, Xinyu HopePe, a limited liability partnership established in the PRC which is managed and operated by its general partner, Beijing HopePe, a limited liability company established in the PRC which is owned as to 60.00% and 40.00% by Ms. Liu Liying (劉利英) and Mr. Zhao Jinyong (趙金勇), respectively. As of the date of this joint announcement, BVI 12 held approximately 3.21% of the issued share capital in the Target Company.

(13) MS. LIU

Ms. Liu Shixiu (劉士秀) is the sister of Ms. Liu Simei (劉思鎂), who is an executive Director. As of the date of this joint announcement, Ms. Liu held approximately 0.10% of the issued share capital in the Target Company. As confirmed by Ms. Liu, she is the ultimate beneficial owner of her shareholding in the Target Company and she is not holding her shareholding in the Target Company on behalf of any person or entity.

Concerted Parties Confirmation

On 16 June 2016, the Core Concerted Parties, namely Mr. Yuan Li, Mr. Xu Xinying and Mr. Yuan Yang acquired the majority shareholding interest in Beijing Fuwish Biotech Co., Ltd.* (北京福樂維生物科技股份有限公司) (“**Beijing Fuwish**”). Beijing Fuwish was listed on the NEEQ (stock code: 430277) since 1 August 2013 until its delisting on 27 October 2021. Beijing Fuwish changed its name to Beijing Shengshang Education Technology Co., Ltd.* (北京聖商教育科技股份有限公司), the former name of Beijing Shengshang on 11 October 2017

and in the same year, it commenced the provision of MSME and IB entrepreneurship training services in the PRC. In November 2018, Beijing Fuwish's original business operations of sales of animal feeds, feed additives and other chemical products were disposed of to focus on the provision of MSME and IB entrepreneurship training services. In order to pursue listing on the Stock Exchange which will better suit its business needs and benefit its future development, Beijing Shengshang applied for delisting from the NEEQ and was delisted on 27 October 2021.

In order to formalise and reflect their acting-in-concert arrangement in relation to Beijing Shengshang after its delisting from the NEEQ, the Core Concerted Parties executed the Concerted Parties Confirmation, whereby they confirmed the existence of their intention to act in concert in consolidating their control over Beijing Shengshang and its subsidiaries until and unless the Concerted Parties Confirmation is terminated in writing by them or when any of them shall cease to be interested in the shareholding of Beijing Shengshang directly or indirectly.

Pursuant to the Concerted Parties Confirmation, with respect to the control, businesses and operations of Beijing Shengshang and its subsidiaries, the Core Concerted Parties confirm that for the entire duration when all of them are contemporaneously direct and/or indirect shareholders of Beijing Shengshang, they shall reach a unanimous decision and be acting in concert on any matters requiring shareholders' approval in relation to the management of Beijing Shengshang, the appointment of its directors and on all decisions to be made in respect of its financial, operations and management. In addition, they shall continue to manage Beijing Shengshang and its subsidiaries (as the case may be) as a single business venture on a collective basis and make collective decisions in respect of the above matters. In the event a unanimous consensus is not reached, the voting decision of Mr. Yuan Li shall be adopted and followed.

Acquisition of shares in Beijing Shengshang by other members of the Concerted Group

Apart from the Core Concerted Parties, the shareholders of the other members of the Concerted Group (BVI 3, BVI 4, BVI 5, BVI 8, BVI 9, BVI 10, BVI 11, BVI 12 and Ms. Liu) became shareholders of Beijing Shengshang by way of acquisition of shares of Beijing Shengshang on the NEEQ during the period between June 2018 and April 2022 out of their own volition and investment decision. Pursuant to the reorganisation of the Target Group in preparation for the New Listing Application (the "**Reorganisation**"), the shareholders of the aforesaid Vendors (BVI 3, BVI 4, BVI 5, BVI 8, BVI 9, BVI 10, BVI 11, BVI 12 and Ms. Liu) have swapped their shareholding in Beijing Shengshang in return for their shareholding in the Target Company held through the aforesaid Vendors. Pursuant to the Reorganisation, Mr. Yuan Li, Mr. Xu Xinying and Mr. Yuan Yang

have also swapped their shareholding held in their individual capacity in Beijing Shengshang in return for their shareholding in the Target Company held through the Vendors (BVI 1, BVI 2, BVI 6 and BVI 7) they own. Further particulars of the Reorganisation shall be set out in the Circular.

Roles and positions of the Vendors and/or their ultimate beneficial owners in the Target Group

The table below summarises the roles and positions of the Vendors and/or their ultimate beneficial owners in the Target Group as of the date of this joint announcement and upon the Completion:

Member of the Target Group	Vendor(s)	Position(s) and role(s) held by the ultimate beneficial owner(s)
Target Company	BVI 1	Mr. Yuan Li is a director of the Target Company. He is responsible for the overall management of its business operations.
Shengshang Entrepreneurial	BVI 1	Mr. Yuan Li is a director of Shengshang Entrepreneurial. He is responsible for the overall management of its business operations.
Beijing Qidian Chuangfu	BVI 6, BVI 7	Mr. Yuan Yang is a manager, director and legal representative of Beijing Qidian Chuangfu. He is responsible for the overall management of its business operations.
Beijing Shengshang	BVI 1	Mr. Yuan Li is a director, chairman of the board of directors, manager and legal representative of Beijing Shengshang. He is responsible for the overall management of its business operations.
	BVI 2, BVI 7	Mr. Xu Xinying is a director and vice chairman of the board of directors of Beijing Shengshang. He is responsible for the management of its business operations.
	BVI 6, BVI 7	Mr. Yuan Yang is a director of Beijing Shengshang. He is responsible for the management of its business operations.

Member of the Target Group	Vendor(s)	Position(s) and role(s) held by the ultimate beneficial owner(s)
	BVI 3	Mr. Zhuang Liangbao (莊良寶) a director of Beijing Shengshang. He is responsible for its management, reporting and corporate finance matters.
	BVI 4	Ms. Dong Xiujuan (董秀娟) is a non-senior management employee of the finance department of Beijing Shengshang responsible for assisting on financial reporting matters of Beijing Shengshang.
	BVI 10, BVI 11	Mr. Jiang Bin (姜斌) is the general manager of the sales and marketing department of Beijing Shengshang responsible for its sales and marketing activities.
Beijing Qidian	BVI 6, BVI 7	Mr. Yuan Yang is a director, manager and legal representative of Beijing Qidian. He is responsible for the overall management of its business operations.
Guoyi Culture	BVI 6, BVI 7	Mr. Yuan Yang is a director, general manager and legal representative of Guoyi Culture. He is responsible for the overall management of its business operations.

Save as disclosed in this section above and after having made all reasonable enquiries, the Directors confirm that save and except (i) being shareholders and/or the ultimate beneficial owners of the Target Company and members of the Concerted Group; (ii) Mr. Yuan Yang is brother of Mr. Yuan Li; (iii) the directorship or proposed directorship of Mr. Yuan Li, Mr. Xu Xinying and Mr. Zhuang Liangbao (莊良寶) in the Company; (iv) certain ultimate beneficial owners of the Vendors are employees, customers, and/or related parties to suppliers of the Target Group; (v) the Group has certain borrowings from Xinyu Dixingjingliu and companies related to certain ultimate beneficial owners of the Vendors with an aggregate outstanding balance of approximately RMB308.7 million as at 31 December 2021 bearing interest rates ranging from 5.0% to 6.5% per annum with repayment terms ranging from one to five years, or repayment on demand; and (vi) the Target Group had short-term loans to certain ultimate beneficial owners of the Vendors which had been fully settled as of 31 December 2021, there are no other relationships between (a) Mr. Yuan Li, Mr. Yuan Yang and Mr. Xu Xinying; and (b) other members of the Vendors.

INFORMATION OF THE TARGET GROUP

Business carried on by the Target Group

The Target Company is principally engaged in investment holding. The Target Group is a MSME and IB entrepreneurship training services provider in the PRC which targets entrepreneurs and senior executives in MSMEs, as well as individual businesses and customers who are interested in establishing start-up enterprises. The Target Group provides a variety of training programmes for its customers aiming to enhance their management capabilities in aspects such as business management, fiscal and tax optimisation, employee incentives, human resource management, supply chain management, marketing and sales. The training programmes cover topics such as business models, shareholding structures, capital structures, entrepreneurial thinking, business management, investment logic, macroeconomic analysis and policy interpretation, equity investment skills and the design of equity incentive schemes. As of the date of this joint announcement, the Company is still in the process of conducting due diligence review over the Target Group. As a satisfactory due diligence review result on the Target Group is one of the conditions precedent to the Completion, the Directors expect to express their view in relation to the Acquisition upon completion of the due diligence review over the Target Group.

Immediately upon the Completion, the Target Company will become a wholly-owned subsidiary of the Company and the results of the Target Group will be consolidated into the Group's results.

The business nature and major assets (immediately upon entering into the Acquisition Agreement) of the Target Group include, among other things, the following:

Member of the Target Group	Business nature	Major assets (immediately before entering into the Acquisition Agreement)
Target Company	Investment holding	The entire issued share capital of Shengshang Entrepreneurial
Shengshang Entrepreneurial	Investment holding	The entire equity interests of Beijing Qidian Chuangfu
Beijing Qidian Chuangfu	Investment holding	The entire equity interests of Beijing Shengshang

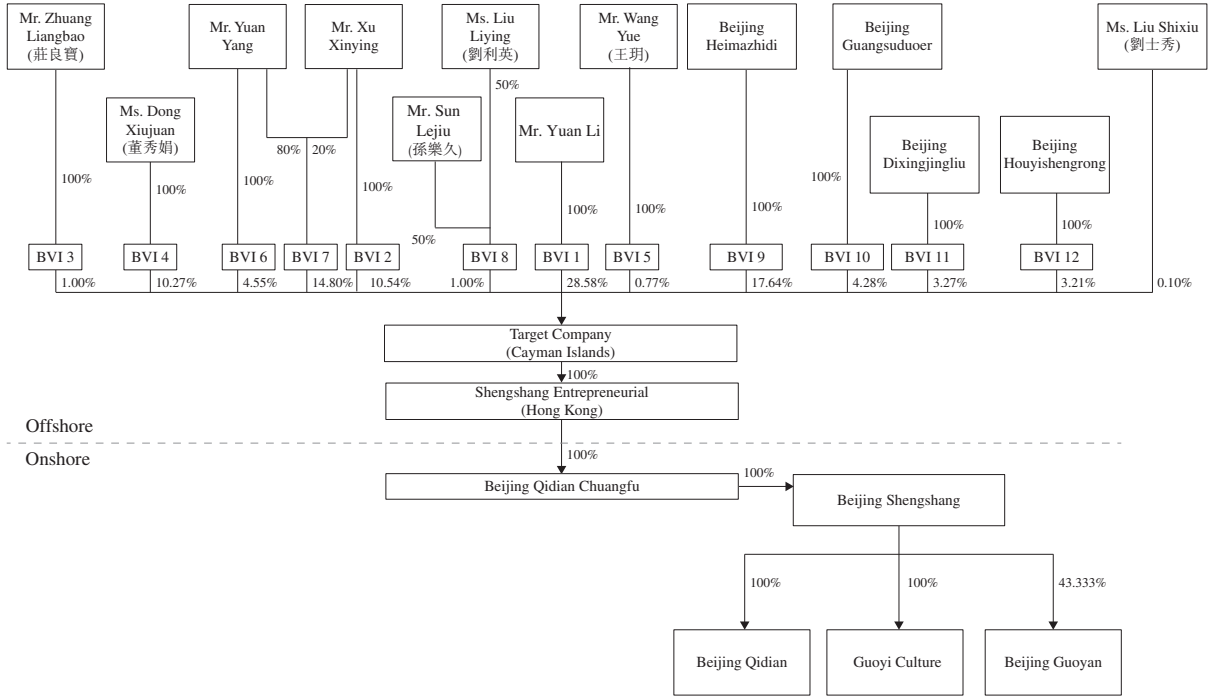
Member of the Target Group	Business nature	Major assets (immediately before entering into the Acquisition Agreement)
Beijing Shengshang	MSME and IB entrepreneurship training services provider in the PRC which targets entrepreneurs and senior executives in MSMEs, as well as individual businesses and customers who are interested in establishing start-up enterprises	The entire equity interests of Beijing Qidian ⁽¹⁾ and Guoyi Culture ⁽²⁾ , and 43.33% equity interests of Beijing Guoyan ⁽³⁾ , an associated company of the Target Company

Notes:

- (1) Beijing Qidian is licensed to carry out the provision of corporate planning and education advisory services, etc, pursuant to its business licence. It has not been engaged in any business operation since its establishment.
- (2) Guoyi Culture is licensed to carry out the provision of private vocational skills training service, etc, pursuant to its business licence. It has not been engaged in any business operation since its establishment.
- (3) Beijing Guoyan is licensed to carry out the provision of commercial and trading consultancy, market research, corporate management consultancy and public relations services, etc, pursuant to its business licence. Immediately upon the Completion, the Group will be indirectly interested in 43.33% of the equity interests in Beijing Guoyan and Beijing Guoyan will be treated as an associated company of the Company.

Based on the information provided by the Vendors, as the Target Company was established by the Vendors and not acquired by the Vendors from a third party, there is no original acquisition costs for the Sale Shares. The original acquisition costs of the shares in Beijing Shengshang to the Target Company is approximately RMB23.00 million, and the carrying value of such shares as extracted from the unaudited financial information of the Target Company as of 31 December 2021 after fair value adjustments and equity accounting treatment is approximately RMB66.04 million.

The following chart sets forth the corporate and shareholding structure of the Target Group immediately before the Completion:



Financial information of the Target Group

Pursuant to Rules 14.58(6) and 14.58(7) of the Listing Rules, an extract of the unaudited consolidated financial information of the Target Group prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) for the two years ended 31 December 2021 is set out as follows:

	Year ended 31 December	
	2020	2021
	<i>RMB’000</i>	<i>RMB’000</i>
	(unaudited)	(unaudited)
Net profit before taxation	90,698	89,070
Net profit after taxation	78,678	81,323
Net asset value	75,202	96,525

The unaudited net profit before and after taxation of the Target Group for the six months ended 30 June 2022 were approximately RMB39,654,000 and RMB34,436,000, respectively. The unaudited net asset value of the Target Group as of 30 June 2022 was approximately RMB100,961,000.

Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information relating to the Target Group constitutes profit forecast and is required to be reported on by the independent financial adviser and its auditors (the “**Reports**”). However, due to the practical difficulties of including the Reports in this joint announcement in terms of the additional time required for the preparation of the Reports by the independent financial adviser and the reporting accountants, the financial information relating to the Target Group is not strictly in compliance with the requirements of Rule 10 of the Takeovers Code. A full set of the audited financial information relating to the Target Group covering the three years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 prepared and reported upon by the reporting accountants under HKFRS, which will be in full compliance with the requirements under Rule 10 of the Takeovers Code, will be included in the Circular to be issued by the Company to the Shareholders. Shareholders should note that there may be differences between the unaudited financial information relating to the Target Group as presented in this joint announcement and the audited financial information to be presented in the Circular to be issued by the Company to the Shareholders.

The Company would like to draw to the attention of the Shareholders and potential investors that the above unaudited financial information in relation to the Target Group does not meet the standard required by Rule 10 of the Takeovers Code and is subject to review by the reporting accountants of the Company and therefore subject to changes. Shareholders and potential investors

should exercise caution in placing reliance on the above information in assessing the merits and demerits of the Acquisition and any other transactions disclosed in this joint announcement.

INFORMATION OF THE GROUP

The Group mainly engages in the retail of household appliance, mobile phones, computers, import and general merchandise and provision of maintenance and installation services in the PRC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has been loss-making in the past five years and it is the Company's intention to diversify the Group's overall revenue stream and improve its financial performance for the purpose of enhancing the shareholding value and return to the Shareholders. The Company has been looking for potential acquisition opportunities which have strong financial return and capabilities with promising prospects.

Although the business engaged by the Target Group is different from the current business of the Company, the Company considered the Acquisition a good opportunity on the basis of the following:

The business scope of the Target Group aligns with the current PRC national strategy

The business scope of the Target Group aligns with the current PRC national strategy, which aims to encourage mass entrepreneurship and innovation. The MSMEs and IB entrepreneurship training services industry has benefited from the PRC's top-down state-led innovation model guarantees a favourable regulatory environment, which encourages the establishment of start-up enterprises and cultivates a more active entrepreneurship training services industry.

The Target Group has an established business with a solid track record of financial performance

The Target Group was established in the PRC in 2005 and is principally engaged in the provision of MSME and IB entrepreneurship training services in the PRC which targets entrepreneurs and senior executives in MSMEs, as well as individuals conducting individual businesses and customers who are interested in establishing start-up enterprises. It has an established business in the PRC with a solid track record of financial performance. Please refer to the section headed "Information of the Target Group" in this joint announcement for more information, including the unaudited financial information of the Target Group for the two years ended 31 December 2021.

The Acquisition allows the diversification of scope of business and revenue stream of the Group

In light of the weak prospect of the household appliance retail business presently carried on by the Group and the various challenges and uncertainties lied ahead in the household appliance retail industry under the current global macro-economic environment, the Acquisition allows the scope of business and revenue stream of the Group to be diversified, and the assets proposed to be acquired are expected to enhance the Company's value to the Shareholders. Through the Acquisition, the Company is able to tap into the established businesses of the Target Group with promising prospects.

Despite the Acquisition would involve introduction of new controlling shareholders to the Company and the existing Shareholders' shareholding will be subject to dilution upon the Completion, the Acquisition is to the interest and benefit of the Company and Shareholders from the following perspective:

- (a) the financial position of the Company will be substantially enhanced upon the Completion, having taken into account:
 - (i) the preliminary valuation of the Target Group as assessed by an independent valuer; and
 - (ii) the net liabilities of the Company as of 31 December 2021 of approximately RMB332.89 million;
- (b) the Company has been loss-making for the past five years, the Acquisition brings the Company the opportunity to acquire a profitable business with a solid track record; and
- (c) the Independent Shareholders are adequately protected by the following:
 - (i) the Acquisition, the Specific Mandate and the transactions contemplated thereunder will be subject to the approval by the Independent Shareholders at the EGM; and
 - (ii) the Independent Shareholders, before exercising their respective voting rights, will be advised by the Independent Board Committee and the Independent Financial Adviser with regard to the Acquisition, the Specific Mandate and transactions contemplated thereunder.

INTENTIONS ON THE BUSINESS AND OPERATIONS OF THE GROUP

Upon the Completion, the Group intends to focus on providing MSME and IB entrepreneurship training services in the PRC which targets entrepreneurs and senior executives in MSMEs, as well as individual businesses and customers who are interested in establishing start-up enterprises. The Board will also continue to identify for opportunities to make new investments and/or realise its current investments when suitable opportunities arise in the future. As set out in the Company's 2021 annual report, the Group intended to (i) continue to promote changes in retail channels; (ii) establish a data processing middle platform to promote digital-based retail; and (iii) explore and study on new business areas to improve its profitability. As of the date of this joint announcement, the Company has no intention, arrangement, agreement, understanding or negotiation (concluded or otherwise) to downsize or dispose of the existing business. Apart from the Acquisition, the Company has no plans to make significant changes to its existing principal business activities immediately after the Completion.

On the basis of the above, the Board (excluding Mr. Yuan Li and Mr. Xu Xinying who are interested in the Acquisition, and the Independent Board Committee, the opinion of which will be formed after taking into account the advice from Gram Capital and that will be included in the Circular) is of the view that the terms of the Acquisition Agreement, which have been agreed after arm's length negotiations among the relevant parties, are on normal commercial terms and fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

As Mr. Yuan Li and Mr. Xu Xinying are considered to have material interests in the Acquisition, Mr. Yuan Li and Mr. Xu Xinying are required to abstain from voting on the above resolutions of the Board. Save as Mr. Yuan Li and Mr. Xu Xinying, none of the Directors has a material interest in the Acquisition or shall be required to abstain from voting on the relevant resolutions of the Board.

Save as disclosed in the section headed "Information of the Vendors" above and that the Vendors are members of the Concerted Group, none of the Vendors has any relationship (formal or informal), business, financial or otherwise with (i) the other Vendors, and their respective ultimate beneficial owners, or (ii) the Company and its connected persons.

IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed(s) 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders at the EGM.

The Acquisition constitutes a reverse takeover for the Company under Rule 14.06B of the Listing Rules. The Company will be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules and the Acquisition is subject to the approval by the Listing Committee of the New Listing Application. The Target Group must be able to meet the requirements under Rule 8.05 of the Listing Rules and the Enlarged Group must be able to meet all the new listing requirements set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules).

As of the date of this joint announcement, none of the relevant materials regarding the New Listing Application has been submitted to the Stock Exchange. The Company will initiate the process of the New Listing Application as soon as practicable. The Listing Committee may or may not grant its approval of the New Listing Application.

In addition, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules as (i) Mr. Yuan Li (through his interest in BVI 1, one of the Vendors) and Mr. Xu Xinying (through his interest in BVI 2 and BVI 7, each being one of the Vendors), who as members of the Core Concerted Parties collectively control more than 30% of the issued share capital of the Target Company, are also executive Directors, and (ii) BVI 6, one of the Vendors, is wholly owned by Mr. Yuan Yang, brother of Mr. Yuan Li and member of the Core Concerted Parties. Accordingly, the Acquisition is subject to the Independent Shareholders' approval at the EGM.

It is a condition precedent to the Completion that the approval of the New Listing Application by the Listing Committee be obtained. In the event that the approval for the New Listing Application is not granted by the Listing Committee, the Acquisition Agreement will not become unconditional and the Acquisition and the allotment and issue of the Consideration Shares will not proceed.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

The Vendors, being shareholders of the Target Company and parties to the Acquisition Agreement to whom the Consideration Shares shall be issued upon the Completion, are persons acting in concert in respect of the Company pursuant to the Takeovers Code.

As of the date of this joint announcement, none of the members of the Concerted Group holds, controls or is interested in any Shares except that Mr. Yuan Li controls 65,001,624 Shares (representing approximately 29.64% of the shares in the Company) indirectly through Noble Trade International in his capacity as the controlling shareholder of Noble Trade International and that Mr. Xu Xinying and Mr. Yuan Yang, each being a member of the Concerted Group, are substantial shareholders of Noble Trade International. Immediately following the allotment and issue of the Consideration Shares to the Vendors, the Concerted Group will be interested in approximately 96.33% of the issued share capital of the Company as enlarged by the

allotment and issue of the Consideration Shares. Under Rule 26.1 of the Takeovers Code, the Vendors shall be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Concerted Group. BVI 1 on behalf of itself and the Vendors shall make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Concerted Group.

As of the date of this joint announcement, the Company has 219,279,744 Shares in issue. The Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as of the date of this joint announcement.

Principal terms of the Offer

Subject to and upon the Completion, Guosen Securities will make the Offer on behalf of the Offeror on the following basis:

The Offer

For each Offer Share..... HK\$0.50 in cash

The Offer Price of HK\$0.50 per Offer Share is the same as the price per Consideration Share.

The Offer Shares which may be acquired by the Offeror under the Offer shall be fully paid and free from all encumbrances together with all rights attaching to them, including but not limited to all dividends paid, declared or made, if any, on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

As of the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and the Company does not intend to declare any dividend during the Offer Period.

Comparison of value

The Offer Price of HK\$0.50 per Offer Share represents:

- (a) a discount of approximately 12.28% to the closing price per Share of HK\$0.57 as quoted on the Stock Exchange on the Last Trading Date;

- (b) a discount of approximately 12.28% to the average of the closing price per Share of approximately HK\$0.57 for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (c) a discount of approximately 11.97% to the average of the closing price per Share of approximately HK\$0.57 for the last ten trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (d) a discount of approximately 15.78% to the average of the closing price per Share of approximately HK\$0.59 for the last thirty trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (e) a premium of approximately HK\$2.34 over the Group's audited net liabilities of approximately RMB1.60 per Share (equivalent to approximately HK\$1.84 per Share[#]) as of 31 December 2021 based on the audited net liabilities attributable to the Shareholders of RMB351,735,000 with 219,279,744 Shares in issue as of 31 December 2021; and
- (f) a premium of approximately HK\$2.51 over the Group's unaudited net liabilities of approximately RMB1.75 per Share (equivalent to approximately HK\$2.01 per Share[#]) as of 30 June 2022 based on the unaudited net liabilities attributable to the Shareholders of RMB383,510,000 as disclosed in the interim results announcement of the Company for the six months ended 30 June 2022 with 219,279,744 Shares in issue as of 30 June 2022.

[#] *For the purpose of this announcement, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB0.87 to HK\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in RMB or HK\$ have been, could have been or may be converted at such or any other rate or at all.*

Highest and lowest prices

During the six-month period immediately preceding the date of this joint announcement (being the commencement date of the Offer Period) up to and including the Last Trading Date, the highest closing price of the Shares was HK\$0.72 per Share as quoted on the Stock Exchange on 24 June 2022 and the lowest closing price of the Shares was HK\$0.485 per Share as quoted on the Stock Exchange on 2 August 2022.

Value of the Offer

Immediately following the allotment and issue of the Consideration Shares to the Vendors, the Concerted Group will be interested in approximately 96.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the total number of Offer Shares shall be 154,278,120 Shares, representing approximately 3.67% of the issued share capital of the Company

as enlarged by the allotment and issue of the Consideration Shares. On the assumption that the Offer is accepted in full by the Offer Shareholders, and on the basis that there are 154,278,120 Offer Shares and the Offer Price being HK\$0.50 per Offer Share, the value of the Offer shall be HK\$77,139,060.

Financial resources available to the Offer

The Offeror intends to finance the Offer with its internal resources.

Guosen Securities, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of fund required to be paid by the Offeror upon full acceptance of the Offer.

Effect of accepting the Offer

The Offer, subject to the Completion having taken place, will be unconditional.

By accepting the Offer, the Offer Shareholders will sell their Shares to the Offeror free from all encumbrances and together with all rights attached to them, including the right to receive all dividends and distributions recommended, declared, paid or made, if any, on or after the day on which the Offer is made, being the date of despatch of the Composite Document.

As of the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and the Company does not intend to declare any dividend during the Offer Period.

Acceptance of the Offer by any Offer Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions recommended, declared, made or paid, if any, on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

Assuming that the Offer is made upon the Completion, seller's Hong Kong ad valorem stamp duty arising from the acceptance of the Offer amount to 0.13% of the amount payable in respect of relevant acceptances by the Offer Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Offer. The Offeror will then

pay the stamp duty on behalf of the Offer Shareholders. The Offeror will bear its own ad valorem stamp duty at the rate of 0.13% of the amount payable in respect of acceptances of the Offer.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Guosen Securities and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptances or rejection of the Offer.

Dealings and interests in the Company's securities

Save for the Consideration Shares to be allotted and issued to the Vendors upon the Completion pursuant to the Acquisition Agreement, the Concerted Group had not dealt in any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares during the six-month period immediately prior to and including the date of this joint announcement, being the date of commencement of the Offer Period.

Other arrangements

Save as the transactions contemplated under the Acquisition Agreement and that Mr. Yuan Li controls 65,001,624 Shares (representing approximately 29.64% of the shares in the Company) indirectly through Noble Trade International in his capacity as the controlling shareholder of Noble Trade International and Mr. Xu Xinying and Mr. Yuan Yang are substantial shareholders of Noble Trade International, the Concerted Group confirmed that:

- (i) none of the members of the Concerted Group holds, owns, controls or has direction over any Shares, convertible securities, warrants, options or derivatives in respect of the Shares nor has entered into any outstanding derivatives in respect of the securities in the Company;

- (ii) none of the members of the Concerted Group has received any irrevocable commitment to accept or reject the Offer;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or shares of the Offeror which might be material to the Offer;
- (iv) there is no arrangement or agreement to which any of the members of the Concerted Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) apart from the Consideration Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Company to any of the members of the Concerted Group; and
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any of the members of the Concerted Group has borrowed or lent.

Save for the Acquisition Agreement and the transactions contemplated thereunder, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) any of the members of the Concerted Group or (b) the Company, its subsidiaries or associated companies.

There is no other consideration, compensation or benefit in any form paid or to be paid to any of the members of the Concerted Group, by the Company in relation to the Acquisition, other than the Consideration Shares.

The Offeror has further confirmed that as of the date of this joint announcement, other than entering into of the Acquisition Agreement, none of the members of the Concerted Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of or otherwise deal in any voting rights in the Company within the six months prior to and including the date of this joint announcement.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any

governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by the Overseas Shareholders in respect of such overseas jurisdictions).

If the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

INFORMATION OF THE OFFEROR

Please refer to the section headed "Information of the Vendors — (1) BVI 1" in this joint announcement for further details on the Offeror.

THE OFFEROR'S INTENTIONS

The Offeror's intentions in respect of the business and operations of the Group are the same as those set out in the section headed "Intentions on the Business and Operations of the Group" in this joint announcement.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

If, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange may exercise its discretion to suspend trading in the Shares until the prescribed level of public float of the Company is restored.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. Upon the Completion, taking into account of the allotment and issue of the Consideration Shares, the Company will maintain a public float of approximately 25.38%, which is more than the prescribed percentage of 25% as

required under the Listing Rules. Immediately upon the close of the Offer and on the assumption that the Offer is accepted in full by the Offer Shareholders, the public float of the Company will drop to approximately 21.71%. The Offeror, the Directors and the Proposed Executive Director shall jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that at least 25% of the total number of Shares will be held by the public within a reasonable time following the close of the Offer. The Company and the Offeror shall make further announcements as and when necessary in this regard.

PROPOSED GRANT OF SPECIFIC MANDATE

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

CHANGE OF DIRECTOR

BVI 12 is wholly owned by Beijing Houyishengrong, a limited liability partnership which is managed and operated by its general partner, Xinyu HopePe, a limited liability partnership which is managed and operated by its general partner, Beijing HopePe, a limited liability company which is owned as to 40.00% by Mr. Zhao Jinyong (趙金勇). Immediately upon the Completion, Mr. Zhao Jinyong (趙金勇) will be deemed to be interested in 3.05% of the issued share capital of the Company through BVI 12. In light of Mr. Zhao Jinyong (趙金勇)'s interest in BVI 12, Mr. Zhao Jinyong (趙金勇) is considered to have a direct interest in the Acquisition, the Specific Mandate, the Offer and the transactions contemplated thereunder, and has resigned as an independent non-executive Director, the chairman of each of the audit committee and remuneration committee of the Company and a member of the nomination committee of the Company with effect from the date of this joint announcement.

Pursuant to Rule 7 of the Takeovers Code, once a bona fide offer has been communicated to the board of the offeree company or the board of the offeree company has reason to believe that a bona fide offer is imminent, except with the consent of the Executive, the directors of an offeree company should not resign until the first closing date of the offer, or the date when the offer becomes or is declared unconditional, or shareholders have voted on the waiver of a general offer obligation under Note 1 on dispensations from Rule 26, whichever is the later.

The Company has applied to the Executive for its consent to the resignation of Mr. Zhao Jinyong (趙金勇) pursuant to Note 2 to Rule 7 of the Takeovers Code with effect from the date of this joint announcement and the Executive has granted the consent. Mr. Zhao Jinyong (趙金勇) has resigned as independent non-executive Director with effect from the date of this joint announcement. Mr. Zhao Jinyong (趙金勇) has

confirmed to the Company that he has no disagreement with the Board and that he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board is pleased to announce that with effect from the date of this joint announcement, Mr. Zhang Yihua (張軼華) has been appointed as an independent non-executive Director, the chairman of each of the audit committee and remuneration committee of the Company and a member of the nomination committee of the Company. Mr. Zhang Yihua (張軼華) is independent of, and not acting in concert with, the Concerted Group.

Following the above changes, the Board comprises three executive Directors, namely Mr. Yuan Li, Mr. Xu Xinying and Ms. Liu Simei (劉思鎡), a non-executive Director, namely Ms. Xu Honghong (徐紅紅) and three independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才).

The biographical details of Mr. Zhang Yihua (張軼華) is set out below:

Mr. Zhang, aged 39, has over 15 years of experience in finance and accounting. From August 2005 to August 2014, Mr. Zhang was a senior manager at the audit department of Ernst & Young, a firm principally engaged in the provision of financial auditing and consulting services, where he was primarily responsible for providing financial auditing and consulting services. From September 2014 to August 2017, Mr. Zhang was the vice president of China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), a company principally engaged in the provision of landscape design services and listed on the Stock Exchange (Stock Code: 1253). From August 2015 to August 2017, he further served as the chief financial officer of China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), where he was primarily responsible for the daily financial operation and compliance matter of the company. Since February 2018, Mr. Zhang has served as an independent non-executive director of Dook Media Group Limited* (讀客文化股份有限公司), a publishing agent listed on the Shenzhen Stock Exchange (Stock Code: 301025), where he was primarily responsible for providing independent opinions to the board of the company. Since September 2021, Mr. Zhang has served as the vice president and chief financial officer of Lihe Flavor (Qingdao) Food Co., Ltd.* (利和味道(青島)食品產業股份有限公司), a company principally engaged in the production and sales of foods and food additives, where he was primarily responsible for the daily financial operation and compliance matter of the company. Mr. Zhang obtained a bachelor's degree in professional accounting from Shanghai University (上海大學) in July 2005 and a master's degree in business administration from Shanghai Jiaotong University (上海交通大學) in September 2018. Mr. Zhang is a member of The Chinese

Institute of Certified Public Accountants, a certified internal auditor and a holder of the independent director qualification certificate of a listed company on the Shenzhen Stock Exchange.

Mr. Zhang Yihua (張軼華) has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of this joint announcement unless terminated by not less than six months' notice in writing served by either party to the other. He is subject to retirement and re-election at the next annual general meeting of the Company after his appointment and thereafter subject to retirement by rotation in accordance with the articles of association of the Company. Mr. Zhang Yihua (張軼華) is entitled to an annual director's fee of HK\$100,000, which is determined by the Board based on his duties and responsibilities in the Group, qualifications and the prevailing market conditions.

Save as disclosed above, Mr. Zhang Yihua (張軼華) confirms that he (i) did not hold any directorships in the last three years prior to the date of this joint announcement in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company or the Target Company nor any interests in the Shares within the meaning of Part XV of the SFO as of the date of this joint announcement; and (iii) does not hold any other positions with any member of the Enlarged Group. Save as disclosed above, there is no other matter in relation to Mr. Zhang Yihua (張軼華)'s appointment that needs to be brought to the attention of the Shareholders and there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board takes this opportunity to express its gratitude to Mr. Zhao Jinyong (趙金勇) for his valuable contribution to the Company and welcome Mr. Zhang Yihua (張軼華) for joining the Board.

PROPOSED APPOINTMENT OF DIRECTOR

The Offeror intends to appoint the Proposed Executive Director immediately after the date of posting of the Composite Document (being the earliest time permitted under the Takeovers Code). Immediately upon the appointment of the Proposed Executive Director, the Board will comprise eight members, including four executive Directors, one non-executive Director and three independent non-executive Directors.

The nomination and the appointment of the Proposed Executive Director will be processed in the following steps:

- (a) the qualifications and experience of the candidate being reviewed and examined by the nomination committee of the Board;

- (b) the nomination committee of the Board making recommendations to the Board in relation to the appointment of the relevant candidate;
- (c) the Board approving and appointing the candidate based on the recommendations from the nomination committee of the Board; and
- (d) the appointed Director will be subject to the retirement and rotation requirements under the articles of association of the Company.

The biographical details of the Proposed Executive Director will be included in the Circular.

THE INDEPENDENT BOARD COMMITTEE, THE OFFER INDEPENDENT BOARD COMMITTEE, THE SOLE SPONSOR, THE FINANCIAL ADVISER AND THE INDEPENDENT FINANCIAL ADVISER

Independent Board Committee

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才), has been formed to advise the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

Offer Independent Board Committee

The Offer Independent Board Committee comprising the non-executive Director, namely Ms. Xu Honghong (徐紅紅), and all the independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才), has been formed for the purpose of advising the Offer Shareholders in respect of the Offer.

Sole Sponsor

Lego Corporate Finance Limited has been appointed as the Sole Sponsor.

Financial Adviser

Guosen Securities has been appointed as the Financial Adviser to the Offeror.

Independent financial adviser

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

The Company will, with the approval of the Offer Independent Board Committee, appoint an independent financial adviser in accordance with the requirements under the Listing Rules and the Takeovers Code to make recommendations to the Offer Independent Board Committee and the Offer Shareholders as to the fairness and reasonableness of the terms of the Offer and as to acceptance. A further announcement will be made by the Company upon the appointment of the independent financial adviser as soon as possible.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As of the date of this joint announcement, the authorised share capital of the Company was US\$12,000,000 divided into 600,000,000 Shares, of which 219,279,744 Shares have already been issued. In order to ensure that the Company has sufficient Shares for the allotment and issue of the Consideration Shares, the Directors propose to increase the authorised share capital to US\$160,000,000 divided into 8,000,000,000 Shares of US\$0.02 each.

The proposal to increase the authorised share capital of the Company is conditional upon the approval of the Independent Shareholders by way of an ordinary resolution at the EGM.

DESPATCH OF CIRCULAR

The Circular is subject to review and comments by the Stock Exchange and the SFC and will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the New Listing Application. The Circular shall be despatched to the Shareholders within 15 business days from the date of this joint announcement pursuant to Rules 14.60(7) and 14A.68(11) of the Listing Rules. In view of the process required in connection with the New Listing Application and the substantial time needed to prepare and finalise the Circular, the despatch date of the Circular is expected to be postponed to a date on or before 30 November 2022.

Shareholders and potential investors should refer to the Circular for further details of the Acquisition and the New Listing Application.

EGM

The EGM will be held for the purpose of considering and, if thought fit, approving, *inter alia*, the Acquisition, the Specific Mandate, the increase in authorised share capital of the Company and the transactions contemplated thereunder.

As of the date of this joint announcement, Noble Trade International is beneficially interested in 65,001,624 Shares. As Noble Trade International is an associate of Mr. Yuan Li, and Mr. Xu Xinying is a substantial shareholder of Chongqing Saint (the

parent company of Noble Trade International), Mr. Yuan Li and Mr. Xu Xinying are considered to have a material interest in the Acquisition and are required to abstain from voting on the Board resolution(s) of the Company to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder. Noble Trade International will abstain from voting on the resolutions to be proposed at the EGM to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer accompanied by the acceptance and transfer forms); (ii) a letter of recommendation from the Offer Independent Board Committee to the Offer Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Offer Independent Board Committee in relation to the Offer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offer by the Offeror is subject to the Completion which cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code, an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven days after the Completion Date or 16 January 2023, whichever is earlier, will be made by the Offeror. Further announcements shall be made as and when necessary in this regard.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

It should be noted that the Acquisition is subject to a number of conditions, which may or may not be fulfilled (or if applicable, waived). In addition, the allotment and issue of the Consideration Shares may or may not materialise. The Listing Committee may or may not grant its approval to the New Listing Application. Further, the Offer shall only be made if the Completion takes place which is subject to the conditions which may or may not be fulfilled (or if applicable, waived) and accordingly, the Offer may or may not proceed. Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the Shares.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company pursuant to the terms and conditions under the Acquisition Agreement;
“Acquisition Agreement”	the conditional sale and purchase agreement dated 23 August 2022 entered into among the Company and the Vendors in relation to the Acquisition;
“acting in concert”	has the meaning given to it under the Takeovers Code;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Beijing Dixingjingliu”	Beijing Dixingjingliu Technology Partnership (Limited Partnership)* (北京滴行京流科技合夥企業(有限合夥)), a limited liability partnership established in the PRC on 14 October 2021 which is owned as to 99.999% by Xinyu Dixingjingliu and 0.001% by Ms. Zhou Xiuzhen (周秀珍), respectively, and is managed and operated by its general partner, Xinyu Dixingjingliu;

- “Beijing Guangsudoer” Beijing Guangsudoer Enterprise Management Partnership (Limited Partnership)* (北京光速多爾企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on 14 October 2021 which is owned as to 0.001% by its limited partner, Mr. Yuan Yang and 99.999% by its general partner, Xinyu Gaoxin District Guangsudoer Investment Center (Limited Partnership)* (新余高新區光速多爾投資中心(有限合夥)) a limited liability partnership established in the PRC which is owned as to 75.46% by Xinyu Northern Dingyuan and 24.54% by Xinyu Northern Huiyuan, respectively, and is managed and operated by its general partner, Xinyu Northern Dingyuan;
- “Beijing Guoyan” Beijing Guoyan Zhigu Industry Information Technology Research Co., Ltd.* (北京國研智谷產業信息技術研究院有限公司), a limited liability company established in the PRC on 15 August 2018 which is owned as to 43.33% by Beijing Shengshang and 56.67% by Hongren International Technology (Beijing) Co., Ltd.* (泓仁國際科技(北京)有限公司), a limited liability company established in the PRC which is wholly owned by Ms. Li Wei (李澍), an Independent Third Party who does not have any relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties except being a shareholder of Beijing Guoyan as of the date of this joint announcement. Beijing Guoyan is an associated company of the Target Company;
- “Beijing Heimazhidi” Beijing Heimazhidi Enterprise Management Partnership (Limited Partnership)* (北京黑馬智迪企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 14 October 2021 which is owned as to 99.999% and 0.001% by Xinyu Heimazhidi and Mr. Yuan Yang, respectively, and is managed and operated by its general partner, Xinyu Heimazhidi;
- “Beijing HopePe” Beijing HopePe Investment Management Co., Ltd.* (北京厚誼投資管理有限公司), a limited liability company established in the PRC on 12 August 2014 which is owned as to 60.00% and 40.00% by Ms. Liu Liying (劉利英) and Mr. Zhao Jinyong (趙金勇), respectively;

“Beijing Houyishengrong”	Beijing Houyishengrong Enterprise Management Partnership (Limited Partnership)* (北京厚誼盛榮企業管理合夥企業(有限合伙)), a limited liability partnership established in the PRC on 14 October 2021 which is owned as to 99.999% and 0.001% by Xinyu HopePe and Mr. Ni Jirong (倪繼榮), respectively, and is managed and operated by its general partner, Xinyu HopePe;
“Beijing Qidian”	Beijing Qidian New Business Consulting Co., Ltd.* (北京奇點新商業諮詢有限公司), a limited liability company established in the PRC on 22 December 2020 and a direct wholly owned subsidiary of Beijing Shengshang;
“Beijing Qidian Chuangfu”	Beijing Qidian Chuangfu Consulting Co., Ltd.* (北京奇點創服諮詢有限公司), a limited liability company established in the PRC on 16 December 2021 and a direct wholly owned subsidiary of Shengshang Entrepreneurial;
“Beijing Shengshang”	Beijing Shengshang Entrepreneurial Technology Co., Ltd.* (北京聖商創業科技有限公司), formerly known as Beijing Shengshang Education Technology Co., Ltd.* (北京聖商教育科技股份有限公司) and Beijing Fuwish Biotech Co., Ltd.* (北京福樂維生物科技股份有限公司), a limited liability company established in the PRC on 5 August 2005 and the principal operating subsidiary indirectly wholly owned by the Target Company;
“Board”	the board of Directors;
“BOCE”	BOCE (Hong Kong) Co., Limited, a limited liability company incorporated in Hong Kong on 8 July 2016 and holding 13,095,000 Shares as of the date of this joint announcement which is wholly owned by Baoshi (Tianjin) E-commerce Company Limited* (寶世(天津)電子商務有限公司), which is in turn owned as to 99% by Tianjin Bohai Commodity Exchange Corporation* (天津渤海商品交易所股份有限公司);
“BVI”	British Virgin Islands;
“BVI 1” or the “Offeror”	Greatssjy Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is wholly owned by Mr. Yuan Li;

- “BVI 2” Xu Xinying Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is wholly owned by Mr. Xu Xinying;
- “BVI 3” Zhuanglb Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is wholly owned by Mr. Zhuang Liangbao (莊良寶), the Proposed Executive Director;
- “BVI 4” Dopoint Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is wholly owned by Ms. Dong Xiujuan (董秀娟);
- “BVI 5” Top Vanguard Linkage Innotech Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is wholly owned by Mr. Wang Yue (王玥) who was a director of Beijing Shengshang and resigned on 6 May 2022;
- “BVI 6” Energystone Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is wholly owned by Mr. Yuan Yang;
- “BVI 7” Shengshangmingyue Co., Ltd., a company incorporated in the BVI with limited liability on 29 September 2021 which is owned as to 80.00% and 20.00% by Mr. Yuan Yang and Mr. Xu Xinying, respectively;
- “BVI 8” Chengshan Co., Ltd., a company incorporated in the BVI with limited liability on 30 September 2021 which is owned as to 50.00% each by Mr. Sun Lejiu (孫樂久) and Ms. Liu Liying (劉利英), respectively;

“BVI 9”

Heimazhidi Co., Ltd., a company incorporated in the BVI with limited liability on 9 November 2021 which is wholly owned by Beijing Heimazhidi, a limited partnership which is managed and operated by its general partner, Xinyu Heimazhidi, a limited partnership which is managed and operated by its general partner, Suzhou Xiaoding Shengying, a limited partnership which is managed and operated by its general partner, Shanghai Noa, a limited liability company which is owned as to 74.50%, 20.00%, 5.00%, and 0.50% by Mr. Han Baoshi (韓寶石), Shanghai Mefund, Mr. Chen Xiang (陳香) and Mr. Wang Donghua (王東華), respectively;

“BVI 10”

Guangsuduoer Co., Ltd., a company incorporated in the BVI with limited liability on 9 November 2021 which is wholly owned by Beijing Guangsuduoer, a limited partnership established in the PRC which is managed and operated by its general partner, Xinyu Gaoxin District Guangsuduoer Investment Center (Limited Partnership)* (新余高新區光速多爾投資中心(有限合夥)), a limited partnership established in the PRC which is owned as to 75.46% by Xinyu Northern Dingyuan and 24.54% by Xinyu Northern Huiyuan and is managed and operated by its general partner, Xinyu Northern Dingyuan;

“BVI 11”

Dixingjingliu Co., Ltd., a company incorporated in the BVI with limited liability on 9 November 2021 which is wholly owned by Beijing Dixingjingliu, a limited liability partnership managed and operated by its general partner, Xinyu Dixingjingliu, a limited liability company which is owned as to 1.00% by Ms. Zhou Xiuzhen (周秀珍) and 99.00% by Xinyu Gaoxin Northern Chuangda, a limited liability partnership which is managed and operated by Northern Financing, a limited liability company which is owned as to 80.00% and 20.00% by Mr. Sun Yuedong (孫躍東) and Mr. Li Hua (李華), respectively;

- “BVI 12” Houyishengrong Co., Ltd., a company incorporated in the BVI with limited liability on 9 November 2021 which is wholly owned by Beijing Houyishengrong, a limited liability partnership which is managed and operated by its general partner, Xinyu HopePe, a limited liability partnership which is managed and operated by its general partner, Beijing HopePe, a limited liability company which is owned as to 60.00% and 40.00% by Ms. Liu Liying (劉利英) and Mr. Zhao Jinyong (趙金勇), respectively;
- “Chongqing Saint” Chongqing Saint Information Technology Co., Ltd.* (重慶聖商信息科技有限公司), a company established in the PRC on 9 September 2014 which indirectly holds 65,001,624 Shares as of the date of this joint announcement and is owned as to (i) 38.48% by Mr. Yuan Li; (ii) 14.06% by Mr. Xu Xinying; (iii) 14.80% by Xinyu Shengshang; (iv) 3.70% by Hengqin Chengshan; (v) 0.96% by Mr. Wu Jipeng (吳繼朋); (vi) 0.77% by Mr. Wang Yue (王玥); (vii) 2.96% by Mr. Ding Mingqing (丁明清); (viii) 13.23% by Suzhou Xiaoding Shengying; (ix) 4.43% by Suzhou Xiaoding Shengxi; (x) 3.24% by Xinyu Northern Dingyuan; (xi) 2.32% by Shanghai Danzhong Investment; and (xii) 1.05% by Xinyu Northern Huiyuan, respectively;
- “Circular” the circular to be sent to the Shareholders in relation to the EGM containing, among other things, (i) further information on the Acquisition, the Specific Mandate and other information as required to be disclosed under the Listing Rules and the Takeovers Code; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder; (iv) the valuation report of the Target Group prepared in compliance with Rule 11 of the Takeovers Code; (v) a notice of the EGM; and (vi) a form of proxy;

“Company” or “Purchaser”	Qidian International Co., Ltd. (奇点国际有限公司), a company incorporated in the Cayman Islands with limited liability on 5 February 2008, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1280), being the purchaser under the Acquisition Agreement;
“Completion”	completion of the Acquisition;
“Completion Date”	the date falling on the fifth business day after the last condition precedent having been fulfilled (or, if applicable, waived);
“Composite Document”	the composite offer document combining the offer document to be issued by the Offeror and the offeree board circular to be issued by the Company (together with the form of acceptance and transfer) in respect of the Offer to be despatched to the Shareholders in accordance with the Takeovers Code;
“Concerted Group”	the Offeror and parties acting in concert or presumed to be acting in concert with it pursuant to the Takeovers Code (including Mr. Yuan Li, Noble Trade International, the other Vendors and their respective owners);
“Concerted Parties Confirmation”	the acting-in-concert confirmation executed by Mr. Yuan Li, Mr. Xu Xinying and Mr. Yuan Yang and dated 1 November 2021;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration Share(s)”	an aggregate of 3,990,000,000 new Shares to be allotted and issued by the Company to the Vendors (or its nominee in accordance with the Acquisition Agreement) at the Issue Price for full settlement of the consideration for the Acquisition;
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules;
“Core Concerted Parties”	Mr. Yuan Li, Mr. Yuan Yang, Mr. Xu Xinying, Noble Trade International, BVI 1, BVI 2, BVI 6 and BVI 7, being the controlling shareholders of the Company immediately upon the Completion for the purpose of the Listing Rules;

“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Acquisition, the Specific Mandate and the increase in authorised share capital of the Company;
“Enlarged Group”	the Group together with the Target Group upon the Completion;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any of his delegate(s);
“Financial Adviser” or “Guosen Securities”	Guosen Securities (HK) Capital Company Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the financial adviser to the Offeror in relation to the Offer;
“Group”	the Company and its subsidiaries;
“Guoyi Culture”	Guoyi Culture Industry Research (Hainan) Co., Ltd.* (國弈文化產業研究院(海南)有限公司), a limited liability company established in the PRC on 28 January 2021 and a direct wholly owned subsidiary of Beijing Shengshang;
“Hengqin Chengshan”	Hengqin Chengshan Investment Enterprise (LLP)* (橫琴誠善投資企業(有限合夥)), a limited liability partnership established in the PRC on 18 January 2016 which is owned as to approximately 52.88%, 20.00%, 13.56% and 13.56% by Mr. Yuan Li, Mr. Yuan Yang, Mr. Sun Lejiu (孫樂久) and Ms. Liu Liying (劉利英), respectively, and is managed and operated by its general partner, Mr. Yuan Yang;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IB”	individual business;

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才), formed for the purpose of advising the Independent Shareholders in respect of, among other things, the Acquisition, the Specific Mandate and the transactions contemplated thereunder;
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the transactions contemplated thereunder;
“Independent Shareholders”	the Shareholder(s) who are not involved or interested in (other than solely as a Shareholder) the Acquisition Agreement and the transactions contemplated thereunder and/or the Specific Mandate and therefore permitted to vote in respect of the resolution(s) to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder;
“Independent Third Party(ies)”	third party(ies) who is, to the best knowledge of the Directors having made due and reasonable enquiries, not a connected person of the Company (having the meaning ascribed to it under the Listing Rules);
“Issue Price”	the issue price of HK\$0.50 per Consideration Share;
“Last Trading Date”	23 August 2022, being the last full trading day for the Shares on the Stock Exchange immediately prior to the publication of this joint announcement;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
“Long-stop Date”	31 December 2022, being the last date for the satisfaction of all the conditions precedent in respect of the Acquisition Agreement unless the Purchaser and the Vendors otherwise agree;

“Mifang Venture Capital”	Mifang Venture Capital Partnership (Limited Partnership)* (蘇州同創羈方創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on 11 December 2019 which is managed and operated by its general partner, Mr. Zhou Yujian (周玉建) and is owned as to 41.46% by Mr. Le Xiao (樂笑), 39.72% by Mr. Zhou Yujian (周玉建) and 18.82% by Mr. Lu Wei (盧瑋);
“Mr. Xu Xinying”	Mr. Xu Xinying (徐新穎), an executive Director;
“Mr. Yuan Li”	Mr. Yuan Li (袁力), a substantial Shareholder and an executive Director;
“Mr. Yuan Yang”	Mr. Yuan Yang (袁煬), brother of Mr. Yuan Li;
“Ms. Liu”	Ms. Liu Shixiu (劉士秀), sister of Ms. Liu Simei (劉思鎂) who is an executive Director;
“MSME(s)”	micro-, small- and medium-sized enterprises;
“NEEQ”	the National Equities Exchange and Quotations;
“New Listing Application”	the deemed new listing application to be made by the Sole Sponsor on behalf of the Company to the Listing Committee for the listing and permission to deal in the Shares in issue upon the Completion;
“Noble Trade International”	Noble Trade International Holdings Limited (聖行國際集團有限公司), a company incorporated in Hong Kong with limited liability on 20 December 2016 which is wholly-owned by Mogen Ltd. and is a substantial Shareholder and connected person of the Company. Mogen Ltd. is wholly-owned by Chongqing Saint;
“Northern Financing”	Northern Financing Investment (Beijing) Investment Fund Management Co., Ltd.* (北方融投(北京)投資基金管理有限公司), a limited liability company established in the PRC on 26 September 2014 which is owned as to 80.00% and 20.00% by Mr. Sun Yuedong (孫躍東) and Mr. Li Hua (李華), respectively;

“Offer”	subject to the Completion taking place, the unconditional mandatory cash offer to be made by Guosen Securities for and on behalf of the Offeror for all the Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code;
“Offer Independent Board Committee”	the independent committee of the Board, comprising the non-executive Director, namely Ms. Xu Honghong (徐紅紅), and all the independent non-executive Directors, namely Mr. Zhang Yihua (張軼華), Mr. Chen Rui (陳睿) and Mr. Fung Tak Choi (馮德才), formed for the purpose of advising the Offer Shareholders in respect of the Offer;
“Offer Period”	the period commencing on 23 August 2022 (being the date of this joint announcement) and ending on the date when the Acquisition Agreement lapses or terminates or when the Offer closes or lapses, whichever is earlier;
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$0.50 per Offer Share;
“Offer Share(s)”	all the Share(s) in issue, other than those already owned or agreed to be acquired by the Concerted Group;
“Offer Shareholder(s)”	Shareholder(s) other than the Concerted Group;
“Oupu Shanwei”	Oupu Shanwei (International) Holdings Limited (歐普善偉(國際)控股有限公司), a company incorporated in Hong Kong with limited liability on 26 June 2018, which is wholly owned by Mr. Shan Weiwei (單偉偉) and holding 23,755,306 Shares as of the date of this joint announcement;
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong;
“PRC”	the People’s Republic of China which for the purpose of this joint announcement does not include Taiwan, Macau Special Administrative Region of the PRC and Hong Kong;
“Proposed Executive Director”	Mr. Zhuang Liangbao (莊良寶), being the proposed executive Director to be appointed with effect immediately after the date of posting of the Composite Document (being the earliest time permitted under the Takeovers Code);

“RMB”	Renminbi, the lawful currency of the PRC;
“Ruihong Yixing”	Hong Kong Ruihong Yixing International Co., Limited (香港瑞宏藝興國際有限公司), a company incorporated in Hong Kong with limited liability on 27 February 2019 which is wholly owned by Ms. Sun Yan (孫燕) and holding 23,400,210 Shares as of the date of this joint announcement;
“Ruike”	China Ruike Investment & Development Co., Ltd.* (中華瑞科投資發展有限公司), a limited liability company incorporated in the BVI on 21 April 2008 which is wholly owned by Mr. Cao Kuanping (曹寬平) and holding 11,955,181 Shares as of the date of this joint announcement;
“Sale Share(s)”	the entire issued share capital of the Target Company as of the date of the Acquisition Agreement;
“SFC”	The Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shanghai Danzhong Investment”	Shanghai Danzhong Investment Management Center (Limited Partnership)* (上海旦中投資管理中心(有限合夥)), a limited liability partnership established in the PRC on 16 July 2015 owned as to 99.00% by Mr. Wu Fenglin (吳鳳林) and 1.00% by Shanghai Shiyi, respectively, and is managed and operated by its general partner, Shanghai Shiyi;

“Shanghai Mefund”	Shanghai Mefund Asset Management Co., Ltd.* (上海募方資產管理有限公司), a limited liability company established in the PRC on 8 October 2014 which is ultimately owned as to (i) 6.88% by Mr. Jiang Bohan (姜博瀚); (ii) 46.39% by Mifang Venture Capital; (iii) 38.17% by Suzhou Sharing Power Venture Capital Partnership (Limited Partnership)* (蘇州共享募方創業投資合夥企業(有限合夥)), a limited partnership owned as to 34.69% by Mr. Zhou Yujian (周玉建), 25.42% by Mr. Lu Wei (盧瑋), 24.65% by Mr. Liang Zhanchao (梁佔超), 6.35% by Mr. Bai Yang (白暘), 6.35% by Mr. Li Shanbing (李善兵), 1.27% by Mr. Su Zhonghe (蘇仲和) and 1.27% by Mr. Sun Lei (孫磊), respectively, which is operated and managed by its general partner, Mr. Zhou Yujian (周玉建); (iv) 2.91% by Gongqingcheng Yongtaida Investment Management Partnership* (共青城永泰達投資管理合夥企業(有限合夥)), which is owned as to 50.00% each by Mr. Zhou Youyong (周有勇) and Ms. Zhou Damin (周達敏), respectively, and is operated and managed by its general partner, Ms. Zhou Damin (周達敏); and (v) 5.65% by Xiamen Qianshan;
“Shanghai Noa”	Shanghai Noa Jin Assets Management Co., Ltd.* (上海諾瑾資產管理有限公司), a limited liability company established in the PRC on 30 September 2014 which is owned as to 74.50%, 20.00%, 5.00% and 0.50% by Mr. Han Baoshi (韓寶石), Shanghai Mefund, Mr. Chen Xiang (陳香) and Mr. Wang Donghua (王東華), respectively;
“Shanghai Shiyi”	Shanghai Shiyi Enterprise Management Center* (上海時以企業管理中心), a limited liability company established in the PRC on 18 August 2021 which is wholly owned by Mr. Wu Shanhao (吳善昊);
“Share(s)”	ordinary shares of the Company with a nominal value of US\$0.02 each;
“Shareholder(s)”	holder(s) of the Shares;
“Shengshang Entrepreneurial”	Shengshang Entrepreneurial Services International Company Limited (聖商創業服務國際有限公司), a limited liability company incorporated in Hong Kong on 8 November 2021 and a direct wholly owned subsidiary of the Target Company;

“Sole Sponsor”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor for the New Listing Application;
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the EGM to allot and issue the Consideration Shares pursuant to the Acquisition Agreement upon the Completion;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(s)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules;
“Suzhou Xiaoding Shengxi”	Suzhou Xiaoding Shengxi Investment Center (limited Partnership)* (蘇州小鼎聖熙投資中心(有限合夥)), a limited liability partnership established in the PRC on 20 December 2016 which is owned as to 0.03% by Shanghai Noa, 10.64% by Mr. Yang Guishuang (楊桂雙) and 89.33% by 20 other individuals each holding not more than 6.38% of the partnership interest who is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties as of the date of this joint announcement except as being a limited partner of Suzhou Xiaoding Shengxi, respectively, and is managed and operated by its general partner, Shanghai Noa;
“Suzhou Xiaoding Shengying”	Suzhou Xiaoding Shengying Investment Center (Limited Partnership)* (蘇州小鼎聖贏投資中心(有限合夥)), a limited liability partnership established in the PRC on 19 December 2016 which is owned as to 5.42% by Mr. Yuan Yang, 4.99% by Mr. Jiang Bin (姜斌), 0.02% by Shanghai Noa and 89.57% by 45 other individuals each holding not more than 5.21% of the partnership interest who is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties as of the date of this joint announcement except as being a limited partner of Suzhou Xiaoding Shengying, respectively, and is managed and operated by its general partner, Shanghai Noa;

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Target Company”	Shengshang Entrepreneurial Services Co., Ltd., an exempted company with limited liability incorporated in the Cayman Islands on 26 October 2021, being the holding company of the Target Group;
“Target Group”	the Target Company and its subsidiaries;
“Teng Chun Tak Sing”	Hong Kong Teng Chun Tak Sing International Co., Limited (香港騰創德馨國際有限公司), a limited liability company incorporated in Hong Kong on 1 March 2019 which is wholly owned by Mr. Chen Bo (陳波) and holding 17,679,604 Shares as of the date of this joint announcement;
“US\$”	United States Dollar, the lawful currency of the United States;
“Vendor(s)”	BVI 1, BVI 2, BVI 3, BVI 4, BVI 5, BVI 6, BVI 7, BVI 8, BVI 9, BVI 10, BVI 11, BVI 12 and Ms. Liu, being the vendors under the Acquisition Agreement;
“Xiamen Qianshan”	Xiamen Qianshan Qiwen Investment Partnership (Limited Partnership)* (廈門千杉啟穩投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on 31 July 2015 which is owned as to 49.00% by Ms. Lin Huiqi (林慧奇), 49.00% by Mr. Lin Huihao (林慧豪) and 2.00% by its general partner, Xiamen City Qianshan Investment Management Co., Ltd.* (廈門市千杉投資管理有限公司), a limited liability company owned as to 28.69% by Ms. Lin Huiqi (林慧奇), 21.25% by Mr. Zeng Yiwei (曾藝偉), 6.37% by Mr. Lin Huihao (林慧豪), 15.00% by Ms. Zhou Damin (周達敏), and 28.69% by Xiamen Huirisheng Investment Management Partnership (Limited Partnership)* (廈門匯日升投資管理合夥企業(有限合夥)), a limited partnership which is owned as to 49.00% by Mr. Wang Shikai (王世凱), 49.00% by Mr. Wang Shibin (王世斌) and 2.00% by its general partner, Xiamen Wellsun Trading Co., Ltd.* (廈門匯日升商貿有限公司), a limited liability company which is owned as to 45.00% by Mr. Wang Shibin (王世斌), 45.00% by Mr. Wang Shikai (王世凱) and 10.00% by Mr. Wang Heping (王和平), respectively;

- “Xinyu Dixingjingliu” Xinyu Dixingjingliu Technology Co., Ltd.* (新余滴行京流科技有限公司), a limited liability company established in the PRC on 8 May 2018 which is owned as to 99.00% by Xinyu Gaoxin Northern Chuangda and 1.00% by Ms. Zhou Xiuzhen (周秀珍), respectively;
- “Xinyu Gaoxin Northern Chuangda” Xinyu Gaoxin District Northern Chuangda Investment Partnership (Limited Partnership)* (新余高新區北方創達投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on 8 March 2018 which is owned as to 2.04% by Mr. Jiang Bin (姜斌), 0.02% by Northern Financing and 97.94% by 48 other individuals each holding not more than 2.04% of the partnership interest who is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties as of the date of this joint announcement except as being a limited partner of Xinyu Gaoxin Northern Chuangda, respectively, and is managed and operated by its general partner, Northern Financing;
- “Xinyu Heimazhidi” Xinyu Heimazhidi Investment Center (Limited Partnership)* (新余黑馬智迪投資中心(有限合夥)), a limited partnership established in the PRC on 28 May 2018 which is owned as to 74.89% by Suzhou Xiaoding Shengying and 25.11% by Suzhou Xiaoding Shengxi, respectively, and the general partner of which is Suzhou Xiaoding Shengying;
- “Xinyu HopePe” Xinyu HopePe Investment Centre (Limited Partnership)* (新余厚誼盛榮投資中心(有限合夥)), a limited liability partnership established in the PRC on 13 January 2021 which is owned as to 3.66% by Beijing HopePe and 96.34% by 24 other individuals each holding not more than 5.49% of the partnership interest who is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties as of the date of this joint announcement except as being a limited partner of Xinyu HopePe, respectively, and the general partner of which is Beijing HopePe;

- “Xinyu Northern Dingyuan” Xinyu Northern Dingyuan Investment Centre (Limited Partnership)* (新余北方鼎元投資中心(有限合夥)), a limited liability partnership established in the PRC on 25 August 2017 which is owned as to 14.46% by Mr. Yuan Yang, 10.26% by Mr. Zhao Dongyang (趙東陽), 8.20% by Mr. Jiang Bin (姜斌), 0.01% by Northern Financing and 67.07% by 19 other individuals, each holding not more than 7.38% of the partnership interest who is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties as of the date of this joint announcement except as being a limited partner of Xinyu Northern Dingyuan, respectively, and is managed and operated by its general partner, Northern Financing;
- “Xinyu Northern Huiyuan” Xinyu Northern Huiyuan Investment Center (Limited Partnership)* (新余北方慧遠投資中心(有限合夥)), a limited liability partnership established in the PRC on 25 August 2017 which is owned as to 18.92% by Mr. Duo Zhiyuan (多志遠), 12.30% by Ms. Lu Xiuqin (陸秀琴), 11.04% by Ms. Ying Xiaolan (應小蘭), 10.41% by Mr. Ding Qingfeng (丁慶豐), 0.03% by Northern Financing and 47.30% by five other individuals, each holding not more than 9.46% of the partnership interest who is an Independent Third Party with no relationship, agreements, arrangements, understanding or negotiation with any of the Core Concerted Parties as of the date of this joint announcement except as being a limited partner of Xinyu Northern Huiyuan, respectively, and is managed and operated by its general partner, Northern Financing;
- “Xinyu Shengshang” Xinyu Shengshang Mingyue Investment Management Centre (LLP)* (新余聖商明月投資管理中心(有限合夥)), a limited liability partnership incorporated in the PRC on 23 February 2016 which is owned as to approximately 80.00% and 20.00% by Mr. Yuan Yang and Mr. Xu Xinying, respectively, and is managed and operated by its general partner, Mr. Yuan Yang; and

“%” per cent.

- * *The English names of the PRC entities mentioned in this joint announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.*

By order of the Board
Qidian International Co., Ltd.
Yuan Li
Chairman

Yangzhou, PRC, 23 August 2022

As of the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Yuan Li, Mr. Xu Xinying and Ms. Liu Simei; a non-executive Director, namely Ms. Xu Honghong and three independent non-executive Directors, namely Mr. Zhang Yihua, Mr. Chen Rui and Mr. Fung Tak Choi.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

Greatssjy Co., Ltd.

As of the date of this joint announcement, the sole director of Greatssjy Co., Ltd. is Mr. Yuan Li. The sole director of Greatssjy Co., Ltd. accepts full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.