

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Ruihe Data Technology Holdings Limited

瑞和數智科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3680)

DISCLOSEABLE TRANSACTION FORMATION OF LIMITED PARTNERSHIP

FORMATION OF LIMITED PARTNERSHIP

Reference is made to the announcement dated 9 January 2024 issued by the Company in relation to the possible formation of a limited partnership.

The Board is pleased to announce that on 2 February 2024 (after trading hours of the Stock Exchange), Suoxinda Shenzhen, an indirect wholly owned subsidiary of the Company, entered into the Partnership Agreement with Advantage Financial Holdings, Quanzhou Big Data, Quanzhou Licheng C&T Investment and eGOVA for the formation of the Limited Partnership.

According to the Partnership Agreement, the total capital contribution of all partners of the Limited Partnership is RMB100,000,000, in which Advantage Financial Holdings, as the general partner, proposed to invest RMB1,000,000, and Quanzhou Big Data, Quanzhou Licheng C&T Investment, eGOVA and Suoxinda Shenzhen, each as a limited partner, proposed to invest RMB50,000,000, RMB10,000,000, RMB19,500,000 and RMB19,500,000, respectively.

The Board is of the view that the formation of the Limited Partnership is in active response to the national strategy for the development of “digital economy”, and the Limited Partnership can make full use of the policy resources and market resources as well as combine the Group’s technological advantages to create synergies and promote the construction of smart cities, the inclusion of data assets in financial statements, the development of information technology application innovative industry and the construction of nationalized information technology.

As a domestic AI big data and AI solution provider, the Group possesses advantages in data access, data governance, data storage management, data intelligence precision marketing, AI big model, omni-channel resources and big data industry platform integration. The Group will strictly follow national strategies, give full play to its advantages in big data and AI technologies, actively explore innovative applications of data assets and expand business models for the application of more industry data elements, enhance the promotion of big data application in government sector and enterprises, financial institutions and internet systems, facilitate the development of information technology construction and big terminal industry, empower the innovative application of emerging technologies such as AI big data, strengthen the in-depth cooperation with the eco-chain enterprises, and thus strengthen the core competitive advantages of the Group. In the dynamic landscape of the digital era, the Group will continue to create broader business cooperation models and new strategic tracks to consolidate the Group's influence in the information technology industry and the field of AI technology, thereby continuously improving the Company's profitability and creating long-term market returns for Shareholders.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under the Listing Rules exceed 5% but are below 25%, the transaction contemplated under the Partnership Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

FORMATION OF LIMITED PARTNERSHIP

Reference is made to the announcement dated 9 January 2024 issued by the Company in relation to the possible formation of a limited partnership.

The Board is pleased to announce that on 2 February 2024 (after trading hours of the Stock Exchange), Suoxinda Shenzhen, an indirect wholly owned subsidiary of the Company, entered into the Partnership Agreement with Advantage Financial Holdings, Quanzhou Big Data, Quanzhou Licheng C&T Investment and eGOVA for the formation of the Limited Partnership.

The principal terms of the Partnership Agreement are set out below:

Parties

- (1) Advantage Financial Holdings (as the general partner);
- (2) Quanzhou Big Data (as a limited partner);
- (3) Quanzhou Licheng C&T Investment (as a limited partner);
- (4) eGOVA (as a limited partner); and
- (5) Suoxinda Shenzhen (as a limited partner).

Purpose and operation period of the Limited Partnership

The purpose of the Limited Partnership is to engage in investment activities, including venture capital, equity investment, investment management, and asset management, etc. The specific business scope of the Limited Partnership shall be subject to the final registration with the PRC industrial and commercial registration authority.

The Limited Partnership will mainly invest in the following areas: cloud computing, big data, AI, Internet of Things, smart cities, information technology application innovative industry, 5G and other digital economy and data solution-related businesses. The Limited Partnership may directly invest in target projects, as well as participate in private placements of listed companies or invest in shares of private equity investment funds established by special purpose vehicles or other private fund managers, to ultimately invest in target projects that align with the investment objectives of the Limited Partnership.

The initial period of operation of the Limited Partnership is eight years from the date of establishment. The Limited Partnership has an initial investment period of five years (the “**Investment Period**”) and a subsequent exit period of three years (the “**Exit Period**”). Upon the expiration of the Exit Period and with the consent of the partners, the operating term of the Limited Partnership may be extended.

Capital contribution

The total capital contribution by all partners of the Limited Partnership is RMB100,000,000, which shall be payable in cash. The capital contribution to be made by each of the partners is set out as follows:

Partner	Type	Capital contribution (RMB)	Percentage (%)
Advantage Financial Holdings	general partner	1,000,000	1
Quanzhou Big Data	limited partner	50,000,000	50
Quanzhou Licheng C&T Investment	limited partner	10,000,000	10
eGOVA	limited partner	19,500,000	19.5
Suoxinda Shenzhen	limited partner	19,500,000	19.5
		<u>100,000,000</u>	<u>100</u>

The size of the Limited Partnership and the amount of capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the estimated capital needs of the Limited Partnership.

The Company, through Suoxinda Shenzhen (as a limited partner), will be indirectly interested in 19.5% of the investment amount of the Limited Partnership. In accordance with applicable accounting standards, upon the formation of the Limited Partnership, the financial results of the Limited Partnership will not be consolidated in the Company's accounts and will be accounted for as financial assets of the Company.

Subject to the terms and conditions under the Partnership Agreement, the general partner shall have the right to determine the timing and amount of capital contribution by each limited partner. Each limited partner shall pay the capital contribution amount required by the general partner to the fund raising account of the Limited Partnership notified in writing by the general partner on or before the due date for capital contribution in accordance with the payment notice issued by the general partner.

The Group will make its capital contribution under the Partnership Agreement by internal resources.

Management of the Limited Partnership

Advantage Financial Holdings, the general partner, will have management authority over the operations of the Limited Partnership. Advantage Financial Holdings will be responsible for managing the investment business and daily affairs of the Limited Partnership, identifying investment opportunities and signing agreements and documents on behalf of the Limited Partnership.

During the Investment Period, Advantage Financial Holdings is entitled to charge an annual management fee at 1.5% of the limited partners' paid-up capital. During the Exit Period, an annual management fee will be charged at 1% of the total remaining investment amount of the limited partners (i.e. the total paid-up capital minus the investment amount made in exited projects). If the operating term of the Limited Partnership is extended, Advantage Financial Holdings will not charge any management fees during such extended period.

Income distribution

All the proceeds from the Limited Partnership's investment, after paying the operating costs and expenses, taxes and liabilities payable of the Limited Partnership, shall first be distributed to all partners (in proportion to their respective paid-up capital contributions to the Limited Partnership) until all partners receive cumulative distributions equal to their paid-up capital contributions. Thereafter, each partner shall receive an annual threshold return equal to 8% of the capital contribution of such partner. Finally, any residual proceeds will be distributed between the limited partners and the general partner in the ratio of 80% and 20%, or 70% and 30% respectively, depending on the nature of the investments made by the Limited Partnership in accordance with the terms and conditions of the Partnership Agreement.

Information of the Parties

The Group and Suoxinda Shenzhen

The Group is principally engaged in the business of provision of data solutions, sales of hardware and software and related services as an integrated service, and information technology maintenance and support services.

Suoxinda Shenzhen is a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company. Suoxinda Shenzhen is principally engaged in provision of financial AI data solutions.

Advantage Financial Holdings

Advantage Financial Holdings is a company established in the PRC with limited liability and its principal business is equity investment, investment management and asset management. As of the date of this announcement, Advantage Financial Holdings is owned as to 39.92% by Mr. Wu Kezhong* (吳克忠先生), 26.73% by Mr. Lu Xiaochen* (盧曉晨先生) and 20.2% by Ms. Xu Danchan* (徐單嬋女士).

Quanzhou Big Data

Quanzhou Big Data is a company established in the PRC with limited liability and its principal business is the construction and operation of big data infrastructure. As of the date of this announcement, Quanzhou Big Data is a wholly owned subsidiary of Quanzhou Transportation Development Group Co., Ltd.* (泉州交通發展集團有限責任公司), which is in turn owned as to 90% and 10% by Quanzhou State-owned Assets Supervision and Administration Commission and Fujian Provincial Department of Finance, respectively.

Quanzhou Licheng C&T Investment

Quanzhou Licheng C&T Investment is a company established in the PRC with limited liability and is principally engaged in investment, development and management in culture and tourism industry. As of the date of this announcement, Quanzhou Licheng C&T Investment is ultimately owned as to 90% and 10% by Quanzhou State-owned Assets Supervision and Administration Commission and Fujian Provincial Department of Finance, respectively.

eGOVA

eGOVA is a joint-stock limited liability company established in the PRC. Its issued shares are listed on the Shenzhen Stock Exchange (stock code: 300075) and its main business is urban digital governance and city data operation services. As of the date of this announcement, the ultimate beneficial owner of eGOVA is Mr. Wu Qianghua* (吳強華先生), who owns approximately 22% interest.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Advantage Financial Holdings, Quanzhou Big Data, Quanzhou Licheng C&T Investment and eGOVA and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF FORMING THE LIMITED PARTNERSHIP

Based on the principle of “Complementary Strengths, Sincere Cooperation and Win-Win Development”, by entering into the Partnership Agreement and forming the Limited Partnership, the Group intends to increase the rate of return on its fund that has no immediate use during the term of the Partnership Agreement, in order to realize capital appreciation.

The Board is of the view that the formation of the Limited Partnership is in active response to the national strategy for the development of “digital economy”, and the Limited Partnership can make full use of the policy resources and market resources as well as combine the Group’s technological advantages to create synergies and promote the construction of smart cities, the inclusion of data assets in financial statements, the development of information technology application innovative industry and the construction of nationalized information technology.

As a domestic AI big data and AI solution provider, the Group possesses advantages in data access, data governance, data storage management, data intelligence precision marketing, AI big model, omni-channel resources and big data industry platform integration. The Group will strictly follow national strategies, give full play to its advantages in big data and AI technologies, actively explore innovative applications of data assets and expand business models for the application of more industry data elements, enhance the promotion of big data application in government sector and enterprises, financial institutions and internet systems, facilitate the development of information technology construction and big terminal industry, empower the innovative application of emerging technologies such as AI big data, strengthen the in-depth cooperation with the eco-chain enterprises, and thus strengthen the core competitive advantages of the Group. In the dynamic landscape of the digital era, the Group will continue to create broader business cooperation models and new strategic tracks to consolidate the Group’s influence in the information technology industry and the field of AI technology, thereby continuously improving the Company’s profitability and creating long-term market returns for Shareholders.

The Directors are of the view that the transaction contemplated under the Partnership Agreement is conducted on normal commercial terms, the terms and conditions of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under the Listing Rules exceed 5% but are below 25%, the transaction contemplated under the Partnership Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and the Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Advantage Financial Holdings”	Advantage Financial Holdings (Shanghai) Asset Management Co., Ltd.* (優勢金控(上海)資產管理有限公司), a company established in the PRC with limited liability and the general partner under the Partnership Agreement
“Board”	the board of Directors
“China” or the “PRC”	the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong Special Administrative Region of the People’s Republic of China, Macao Special Administrative Region of the People’s Republic of China, and Taiwan
“Company”	Ruihe Data Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680)
“Director(s)”	director(s) of the Company
“eGOVA”	Beijing eGOVA Co., Ltd.* (北京數字政通科技股份有限公司), a joint stock limited liability company established in the PRC whose issued shares are listed on the Shenzhen Stock Exchange (stock code: 300075), and a limited partner under the Partnership Agreement
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	the third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Limited Partnership”	the limited partnership to be formed pursuant to the Partnership Agreement under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time

“Partnership Agreement”	the partnership agreement dated 2 February 2024 and entered into among Advantage Financial Holdings as the general partner and Quanzhou Big Data, Quanzhou Licheng C&T Investment, eGOVA and Suoxinda Shenzhen, each as a limited partner, for the formation of the Limited Partnership
“Quanzhou Big Data”	Quanzhou Big Data Operation Service Co., Ltd.* (泉州大數據運營服務有限公司), a company established in the PRC with limited liability and a limited partner under the Partnership Agreement
“Quanzhou Licheng C&T Investment”	Quanzhou Licheng Culture & Tourism Investment Group Co., Ltd.* (泉州鯉城文旅投資集團有限公司), a company established in the PRC with limited liability and a limited partner under the Partnership Agreement
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	the ordinary share(s) with par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suoxinda Shenzhen”	Shenzhen Suoxinda Data Technology Co., Ltd* (深圳索信達數據技術有限公司), a company established in the PRC with limited liability, an indirect wholly owned subsidiary of the Company, and a limited partner under the Partnership Agreement
“%”	per cent.

By Order of the Board
Ruihe Data Technology Holdings Limited
Xue Shouguang
Chairman of the Board

Hong Kong, 2 February 2024

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Xue Shouguang, Ms. Zhao Yiqing and Mr. Fei Xiang, three non-executive Directors, namely, Dr. Wu Fu-Shea, Mr. Wu Xiaohua and Mr. Chen Zhenping, and two independent non-executive Directors, namely, Mr. Yang Haifeng and Ms. Dan Xi.

* For identification purpose only