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STEED ORIENTAL (HOLDINGS) COMPANY LIMITED

駿東（控股）有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 8277)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Steed Oriental (Holdings) Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board (the “**Board**”) of directors (the “**Directors**”) of Steed Oriental (Holdings) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 25 July 2024 (after trading hours), Wanjialai, an indirect wholly-owned subsidiary of the Company and Hainan Chengji commenced to establish the JV Company, with proposed registered capital of RMB10,000,000. Following the establishment of the JV Company, Wanjialai will contribute RMB5,100,000 in cash towards the registered capital of the JV Company, representing 51% of the equity interest in the JV Company. The JV Company intends to invest and operate in, amongst others, the business of the research and development of new energy technology, and energy storage technology service.

INFORMATION OF THE JV COMPANY

The material information of the JV Company is set out as follows:

Shareholders : (i) Wanjialai

(ii) Hainan Chengji

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Hainan Chengji and its ultimate beneficial owner are third party independent of the Company and its connected persons.

Subject matter : The JV Company will be a limited liability company to be established in accordance with the laws of the PRC.

The proposed name of the JV Company is Hebei Chuyou Energy Technology Company Limited 河北儲優能源科技有限公司 (subject to the final name as approved and registered by the relevant administration for market regulation of the PRC).

Proposed scope of principal business of the JV Company : Power generation business, power transmission business, solar energy generation technology service, research and development of new energy technology, energy storage technology service; contract energy management; research and development of mechanical equipment, energy-saving management services; procurement of primary level agricultural products, sale of agricultural by-products, domestic trading and agency.

Proposed investment scope and direction : Research and development of new energy technology, and energy storage technology service.

Registered capital : RMB10,000,000

Term of operation : Long-term

Capital contribution : The shareholders of the JV Company shall contribute in cash to the capital of the JV Company in the following proportion:

| Parties | Capital contribution | % of equity interest in the JV Company |
|----------------|-----------------------------|---|
| Wanjialai | RMB5,100,000 | 51% |
| Hainan Chengji | RMB4,900,000 | 49% |

The parties to the formation of the JV Company shall inject their respective capital to the JV Company in full within 5 years from the establishment of the JV Company.

Source of fund for capital contribution : Internal resources at each of the shareholders of the JV Company

Management of the JV Company : The JV Company will not have a board of directors. There will be one director to be nominated by the shareholders of the JV Company. The term of appointment of the director of the JV Company shall not exceed 3 years, but he/she will be eligible for re-appointment by shareholders of the JV Company.

The manager of the JV Company can be appointed and dismissed by the director of the JV Company. The director of the JV Company can also be the manager. The manager of the JV Company will also be the legal representative of the JV Company.

The JV Company shall have one supervisor to be elected at the shareholders' meeting of the JV Company.

Pursuant to the relevant accounting policies adopted by the Group, the JV Company will be accounted for as a subsidiary of the Company and its financial statements will be consolidated in the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The Board has been actively exploring business opportunities to diversify the existing business and broaden the revenue base of the Group in order to achieve better return for the shareholders (the “**Shareholders**”) of the Company.

Considering the expected growing demand for clean energy as substitute of traditional forms of energy, which has been particularly supported by national policies in the PRC, including the joint promotion of the National Development and Reform Commission and the National Energy Administration and other departments in connection with the introduction of a series of important industry policies, for instance, the “Guiding Opinions on Strengthening the Construction of Power Grid Peak Loading Storage and Intelligent Dispatching Capabilities” (《關於加強電網調峰儲能和智能化調度能力建設的指導意見》) promulgated by the National Development and Reform Commission and the National Energy Administration in March 2024, pointing out the direction for the integration of power supply, power grid, load and energy storage and the development of multi-energy complementarity. The Group considers that the formation of the JV Company represents an opportunity to allow the Group to tap into the new energy industry so as to further expand its customer base and source of revenue.

With the support of national policies and the prospects for carbon neutrality and new energy development, the JV Company will be committed to amongst others, contract energy management and operation model that combines digital technology, energy storage technology, and energy-saving technology. The JV Company intends to build a clean, low-carbon, safe, efficient, and low-cost modern energy system to achieve economic and social benefits. The Board considers that leveraging on the experience of Hainan Chengji in the new energy industry, the development in the new energy market through the establishment of the JV Company would result in huge potential for business growth, and investing in the new business will generate potentially commercial value in the long run.

As none of the Directors have a material interest in the formation of JV Company as disclosed in this announcement, no Director was required to abstain from voting on the relevant Board resolution approving the establishment of the JV Company and the transactions contemplated thereunder.

INFORMATION OF THE GROUP AND HAINAN CHENGJI

The Group is principally engaged in the sourcing, manufacturing and sale of wooden products. The scope of business under Wanjialai’s business licence includes, amongst others, the provision of information technology consulting services, advertising services, information system integration and IoT technology services, property management services and trade brokerage and agency.

Hainan Chengji is a company established under the laws of the PRC on 24 August 2020 with limited liability. As at the date of this announcement, the sole shareholder of Hainan Chengji is Ma Jianxu (馬建成). To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Hainan Chengji and its ultimate beneficial owner, Ma Jianxu, are third party independent of the Company and its connected persons. The scope of business under Hainan Chengji’s business licence includes the research and development of emerging energy technologies; energy-saving management services; repair of communication equipment; research and development of resource recycling technology; research and development of IoT technology; IoT application services; IoT technology services; research and development of new material technology; sales of ecological environment materials; external contracting projects.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the establishment of the JV Company exceeds 5% but less than 25%, the formation of the JV Company constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

| | |
|-----------------------|--|
| “Board” | the board of Directors |
| “Company” | Steed Oriental (Holdings) Company Limited (駿東(控股)有限公司), a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the GEM of the Stock Exchange (Stock code: 8277) |
| “connected person(s)” | shall have the same meaning as ascribed to it under the GEM Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “GEM” | the GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “Hainan Chengji” | Hainan Province Chengji Holdings Group Company Limited 海南省城際控股集團有限公司, a company established under the laws of the PRC on 24 August 2020 with limited liability, and the 49% shareholder of the JV Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

| | |
|--------------------------------|--|
| “Independent Third Party(ies)” | independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates |
| “JV Company” | Hebei Chuyou Energy Technology Company Limited 河北儲優能源科技有限公司 (subject to the final name as approved and registered by the relevant administration for market regulation of the PRC), being the subject company to be established |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Wanjialai” | Hebei Wanjialai Technology Company Limited 河北萬佳萊科技有限公司, a company established under the laws of the PRC on 27 April 2021 with limited liability, an indirect wholly owned subsidiary of our Company, and the 51% shareholder of the JV Company |

By Order of the Board
Steed Oriental (Holdings) Company Limited
Li Yue
Chairman and Executive Director

Hong Kong, 25 July 2024

As at the date of this announcement, the Board comprises Mr. Li Yue and Mr. Xue Zhao Qiang as executive Directors; Mr. Ding Hongquan as non-executive Director; Mr. Wang Wei, Ms. Dong Ping and Mr. Zhu Da as independent non-executive Directors.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its publication and will be published on the website of the Company at www.steedoriental.com.hk.

* For identification purpose only