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HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00554)

(I) EXTREME TRANSACTION IN RELATION TO THE ACQUISITION OF 54.44% OF THE TOTAL ISSUED SHARES OF THE TARGET COMPANY; AND (II) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

Financial Adviser to the Company

ANGLO CHINESE 英
CORPORATE FINANCE, LIMITED 高

THE ACQUISITION

The Acquisition Agreement

The Board is pleased to announce that on 24 May, 2024 (before trading hours), the Acquisition Agreement was entered into between TWB Holdings and ABL (as vendors), Glorify (as purchaser) and the Company, pursuant to which Glorify has conditionally agreed to acquire, and TWB Holdings and ABL have conditionally agreed to sell the Sale Shares, representing approximately 54.44% of the total issued BTHL Shares, at the consideration of HK\$2,722,045,000. Upon Completion, Glorify and TWB Holdings will hold 70% and 30% of the total issued BTHL Shares, respectively.

The New Shareholders' Agreement and the Call Option and Put Option

Subject to Completion taking place, the existing shareholders' agreement in respect of BTHL dated 21 August, 2020 and amended on 15 October, 2020 entered into by Glorify, TWB Holdings and ABL shall terminate with effect from the Completion Date, and at Completion, Glorify and TWB Holdings shall enter into the New Shareholders' Agreement, which contains provisions relating to, among other things, the Call Option and the Put Option in respect of 30% of the total issued BTHL Shares.

LISTING RULES IMPLICATIONS

The Acquisition Agreement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. In addition, the Listing Committee has resolved that the Acquisition is an extreme transaction under Rule 14.06C of the Listing Rules and the requirements for reverse takeovers in Chapter 14 of the Listing Rules do not apply. Accordingly, the Acquisition is subject to the reporting, announcement, circular, Shareholders' approval and accountants' report requirements as set out in Chapter 14 of the Listing Rules. The Company is required to prepare a transaction circular under an enhanced disclosure comparable to prospectus standard. Anglo Chinese has been appointed as the financial adviser to the Company in connection with the Acquisition and to perform due diligence on the Target Group.

The New Shareholders' Agreement and the Call Option and Put Option

As the exercise of the Call Option is at the discretion of the Purchaser, only its premium will be taken into account for the purpose of classification of notifiable transaction on the grant of the Call Option by TWB Holdings to the Purchaser. Given the Call Option will be granted at nil consideration, the applicable percentage ratios calculated in accordance with Rule 14.75(1) of the Listing Rules are less than 5% and, therefore on a standalone basis, the grant of the Call Option does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the exercise of the Put Option is not at the discretion of the Purchaser, the grant of the Put Option by the Purchaser to TWB Holdings will be classified as if the Put Option had been exercised under Rule 14.74(1) of the Listing Rules. For illustration purposes, assuming there is no other change to the total issued BTHL Shares from the date of Completion up to the end of the Put Option Period, if Glorify does not exercise the Call Option and the Put Option is fully exercised by TWB Holdings in respect of 30% of the total issued BTHL Shares at the end of the Put Option Period, the Put Consideration payable by the Purchaser will be HK\$1,875 million. Based on the foregoing, on a standalone basis, one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the grant of the Put Option exceeds 100%, and the grant of the Put Option constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules.

The Company (through the Purchaser) may decide to exercise the Call Option. As the exercise of the Call Option, and the grant and exercise of the Put Option are part of the arrangements relating to the Acquisition, they will be aggregated with the Acquisition for the purposes of Chapter 14 of the Listing Rules. As the Acquisition constitutes an extreme transaction under Rule 14.06C of the Listing Rules, the exercise of the Call Option and the grant and exercise of the Put Option (when aggregated with the Acquisition) constitute an extreme transaction as aforesaid.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Acquisition Agreement, the New Shareholders' Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate. Pursuant to Rule 14.60(7) of the Listing Rules, a circular containing, among other things, (i) details of the Acquisition Agreement, the New Shareholders' Agreement and the transactions contemplated thereunder; (ii) information about the Target Group; (iii) financial information of the Group; (iv) the accountants' report of the Target Group; (v) the valuation report on the Target Company; (vi) the unaudited pro forma financial information of the Enlarged Group; (vii) other information as required under the Listing Rules in relation to enhanced disclosures; and (viii) the notice of the EGM shall be despatched to the Shareholders within 15 business days after publication of this announcement. As more time is required to prepare and finalise information to be included in the circular, the circular is currently expected to be despatched to the Shareholders on or before 24 June, 2024.

Completion of the Acquisition is conditional upon the fulfilment of the conditions set out under the paragraph headed "Conditions precedent" in this announcement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

INTRODUCTION

Reference is made to the announcements of the Company dated 21 August, 2020 and 21 October, 2020 in respect of the 2020 Acquisition, and the announcements of the Company dated 3 December, 2021 and 28 March, 2022 and the circular of the Company dated 29 July, 2022 in respect of the 2021 Acquisition (together, the “**Previous Announcements**”).

As disclosed in the Previous Announcements:

- on 21 August, 2020, TWB Holdings, Glorify, ABL and BTHL entered into the 2020 BTHL Share Subscription Agreement, pursuant to which each of TWB Holdings, Glorify and ABL subscribed for BTHL Shares constituting approximately 90.8%, 8.6% and 0.6%, respectively, of the total issued BTHL Shares. On the same day (immediately after signing of the 2020 BTHL Share Subscription Agreement), NWS Service and BTHL entered into the 2020 Acquisition Agreement, pursuant to which NWS Service agreed to sell and BTHL agreed to purchase all the issued BTHL Shares for a total consideration of HK\$3,200,000,000. The subscription of the BTHL Shares under the 2020 BTHL Share Subscription Agreement was fully completed on 30 September, 2020, and the completion of the 2020 Acquisition under the 2020 Acquisition Agreement took place on 15 October, 2020; and
- on 3 December, 2021, Glorify entered into the 2021 Acquisition Agreement with TWB Holdings and ABL, pursuant to which Glorify acquired, and TWB Holdings and ABL sold, an aggregate of 700 BTHL Shares (being 695 BTHL Shares from TWB Holdings and 5 BTHL Shares from ABL), together representing 7% of the total issued BTHL Shares. The acquisition under the 2021 Acquisition Agreement was fully completed on 28 March, 2022. Upon the completion of the 2021 Acquisition, each of TWB Holdings, Glorify and ABL held approximately 83.90%, 15.56%, and 0.54%, respectively, of the total issued BTHL Shares.

On 24 May, 2024 (before trading hours), the Acquisition Agreement was entered into between TWB Holdings and ABL (as vendors), Glorify (as purchaser) and the Company, pursuant to which Glorify has conditionally agreed to acquire, and TWB Holdings and ABL have conditionally agreed to sell the Sale Shares, representing approximately 54.44% of the total issued BTHL Shares, at the consideration of HK\$2,722,045,000. Upon Completion, Glorify and TWB Holdings will hold 70% and 30% of the total issued BTHL Shares, respectively. The shareholding structure of the Target Group as at the date of this announcement and after Completion is set out in the section headed “Information on the Target Group — Shareholding structure of the Target Group” below.

THE ACQUISITION

Principal Terms of the Acquisition Agreement

Date

24 May, 2024

Parties

- (a) Glorify (as the Purchaser)
- (b) TWB Holdings (as the First Vendor)
- (c) ABL (as the Second Vendor)
- (d) the Company

To the best knowledge, information and belief of the Directors, having made reasonable enquiries, each of TWB Holdings and ABL and its respective ultimate beneficial owner(s) are Independent Third Parties.

Subject matter

Pursuant to the Acquisition Agreement, TWB Holdings and ABL have conditionally agreed to sell, and Glorify has conditionally agreed to purchase, a total of 5,444.09 BTHL Shares (of which 5,390.32 BTHL Shares will be from TWB Holdings and 53.77 BTHL Shares will be from ABL), which together represent approximately 54.44% of the total issued BTHL Shares.

As at the date of this announcement, Glorify holds 1,555.91 BTHL Shares, or approximately 15.56% of the total issued BTHL Shares. Pursuant to the articles of association of the Target Company, the Target Company may issue fractional shares and a fractional share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class of shares. Upon Completion, Glorify and TWB Holdings will hold 70% and 30% of the total issued BTHL Shares, respectively, and BTHL will become an indirect non-wholly owned subsidiary of the Company.

Earnest Money

Upon signing of the Acquisition Agreement, the Purchaser is required to pay the Earnest Money in an aggregate amount of HK\$175,000,000, as earnest money (which amount shall be held on trust for the special purpose of the uses as set out, and shall be paid to the respective Vendors or refunded to the Purchaser, in the terms of the Acquisition Agreement), to the Vendors as follows:

- (1) a sum of HK\$170,295,125 (representing approximately 6.26% of the Consideration) to TWB Holdings; and

- (2) a sum of HK\$4,704,875 (representing approximately 0.17% of the Consideration) to ABL.

Consideration

The Consideration is HK\$2,722,045,000 (representing HK\$500,000 per Sale Share), which is to be satisfied in the following manner:

Cash payment

- (a) at Completion, the Earnest Money shall be applied towards the settlement of a portion of the Consideration due to the relevant Vendors on a dollar-for-dollar basis;
- (b) as soon as practicable (but in any event not more than ten (10) Business Days) after the EGM and the fulfilment of condition (vi) set out in the section headed “Conditions precedent” below, and provided that the conditions (i)(2) and (ii) set out in the section “Conditions precedent” below remain fulfilled, Glorify shall pay the Second Cash Payment in an aggregate amount of HK\$325,000,000 of which (i) a sum of HK\$316,262,375 (representing approximately 11.62% of the Consideration) shall be payable to TWB Holdings; and (ii) a sum of HK\$8,737,625 (representing approximately 0.32% of the Consideration) shall be payable to ABL, respectively, in cash by wire transfer or in such manner as may be agreed between Glorify and TWB Holdings and ABL, as the case may be. At Completion, the Second Cash Payment shall be applied towards the settlement of a portion of the Consideration due to the relevant Vendors on a dollar-for-dollar basis; and

Consideration Shares

- (c) subject to obtaining the Listing Approval, at Completion, the Company shall allot and issue the Consideration Shares to TWB Holdings, in settlement to the extent of HK\$222,045,000 of the First Vendor Sale Shares Consideration (representing approximately 8.16% of the Consideration); and

Deferred Payment

- (d) the Deferred Payment of HK\$2,000,000,000 (representing approximately 73.47% of the Consideration), being the balance of the Consideration, shall be paid in cash in tranches on the following dates (each an “**Original Instalment Payment Date**”, subject to the extensions set out further below), as follows:
- (i) on the date which is six (6) months after the Completion Date, Glorify shall pay to TWB Holdings a sum of HK\$243,278,750 and to ABL a sum of HK\$6,721,250 (being a total of HK\$250,000,000) (the “**Instalment Payment 1**”);

- (ii) on the date of the first anniversary of the Completion Date, Glorify shall pay:
 - (a) to TWB Holdings a sum of HK\$145,967,250 and to ABL a sum of HK\$4,032,750 (being a total of HK\$150,000,000) (the “**Instalment Payment 2**”);
 - (b) to TWB Holdings a sum of HK\$450,000,000 (the “**Instalment Payment 3**”);
- (iii) on the date of the second anniversary of the Completion Date, Glorify shall pay:
 - (a) to TWB Holdings a sum of HK\$97,311,500 and to ABL a sum of HK\$2,688,500 (being a total of HK\$100,000,000) (the “**Instalment Payment 4**”);
 - (b) to TWB Holdings a sum of HK\$450,000,000 (the “**Instalment Payment 5**”);
and
- (iv) on the date of the third anniversary of the Completion Date, Glorify shall pay to TWB Holdings a sum of HK\$600,000,000 (the “**Instalment Payment 6**”).

Glorify shall pay interest on the amount of the Deferred Payment outstanding calculated from the Completion Date up to and including the date of payment of such Deferred Payment, at the interest rate of 2.5% per annum (simple interest) (the “**Deferred Payment Interest**”) which is payable at the same time as the relevant instalment payment is paid.

If Glorify fails to pay any amount payable under Instalment Payment 3, Instalment Payment 5, and/or Instalment Payment 6 on the relevant Original Instalment Payment Date, additional interest shall accrue at the rate of 7.5% per annum (simple interest) (the “**Additional Interest**”) on such outstanding amount over the period from (and including) the relevant Original Instalment Payment Date up to (and including) the date of actual payment of the relevant amount in full.

To the extent not paid on the relevant Original Instalment Payment Date, the outstanding and unpaid Deferred Payment (together with the Deferred Payment Interest and Additional Interest (if any) accrued thereon) shall become immediately due and payable by Glorify on:

- (i) in the case of Instalment Payment 1, the date which is the first anniversary of the Completion Date;
- (ii) in the case of Instalment Payment 2, the date which is eighteen (18) months after the Completion Date;
- (iii) in the case of Instalment Payment 3, the date which is the second anniversary of the Completion Date;

- (iv) in the case of Instalment Payment 5, the date which is the fourth anniversary of the Completion Date; and
- (v) in the case of Instalment Payment 6, the date which is the fourth anniversary of the Completion Date.

All payments shall be made in cash by wire transfer of immediately available funds to TWB Holdings and ABL, or in such manner as may be agreed between Glorify and the respective Vendors. If the payment due date is not a Business Day, such sum shall become due and payable on the next following Business Day.

In the event that Listing Approval has not been obtained within ten (10) Business Days of the EGM (or such later date as the parties may agree) but all the other conditions are fulfilled (or waived, as applicable), the Company shall not allot and issue the Consideration Shares but shall instead pay the amount of HK\$222,045,000 of the First Vendor Sale Shares Consideration in cash, in which case such amount shall be paid as follows:

- (i) an amount of HK\$100,000,000 shall be due and payable on the date of the second anniversary of the Completion Date; and
- (ii) an amount of HK\$122,045,000 shall be due and payable on the date of the third anniversary of the Completion Date;

and to the extent such amount is not paid on the original dates due for payment as set out in (i) and (ii) above, such amount shall become due and payable on the date which is the fourth anniversary of the Completion Date.

The Group intends to use its internal resources and bank borrowings to pay the cash payment of HK\$500,000,000 (being the Earnest Money and the Second Cash Payment payable after the EGM but before Completion), of which it is expected that (i) approximately HK\$400,000,000 will be raised from its internal resources, and (ii) approximately HK\$100,000,000 through bank borrowings to be obtained.

For the remaining portion of the Consideration, it is expected to be funded by the internal resources and bank borrowings of the Enlarged Group, subject to the business and financial circumstances at any time prior to the payments being made. These borrowing arrangements are expected to be negotiated and/or entered into after Completion. In the event of unforeseeable changes in the operating environment and/or if the Enlarged Group's financial performance does not meet expectations, it is envisaged that additional fundraising may be undertaken to fund the remaining portion of the Consideration through equity and, or debt financing, including but not limited to a placing of new Shares and, or Shareholder's loans.

In the event that the Consideration Shares are not allotted and issued in the circumstances described above and the portion of the Consideration of HK\$222,045,000 is required to be settled in cash, the Group intends to fund the payment through equity and, or debt financing, including but not limited to through the placing of new Shares under general mandate of the Company and, or Shareholder's loans.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Company, TWB Holdings and ABL, after taking into account (i) the reasons and benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition"; (ii) the recent financial performance of the BTHL Group; (iii) a valuation report dated 21 May, 2024 showing the appraised market value of the equity value of BTHL to be not less than HK\$5,000,000,000 as at 31 December, 2023 prepared by, Kroll (HK) Limited, an independent valuer, based on the income approach as the primary approach to determine the market value of the equity value of BTHL; (iv) the parties' respective shareholdings in BTHL; and (v) the business prospects of the BTHL Group.

Pursuant to Rule 14.60A of the Listing Rules, the principal assumptions for the preparation of the valuation report are set out below:

General assumption:

It is assumed that the data obtained in the course of the valuation, along with the opinions and representations provided to the independent valuer by the management of the subject company, are true and accurate and are being accepted without independent verification.

Key assumptions under income approach:

- (1) It is assumed that no major changes are expected in political, legal and economic conditions in Hong Kong.
- (2) It is assumed that regulatory environment and market conditions for the franchised bus services industry in Hong Kong will be developing according to prevailing market expectations.
- (3) It is assumed that there will be no major changes in the current taxation law applicable to the subject company.
- (4) It is assumed that the availability of finance will not be a constraint on the forecast growth of the subject company's operations in accordance with its current business plans.

- (5) It is assumed that the future movement of exchange rates and interest rates will not differ materially from prevailing market expectations.
- (6) It is assumed that the subject company continues to retain competent management, key personnel and operational staff to support its ongoing operations.
- (7) It is assumed that there will be no changes to the terms of the franchises granted to the subject company, all relevant legal approvals and licenses necessary for the normal course of operations have been obtained and will not be revoked.
- (8) It is assumed that applications for fare increase in respect of the franchised bus operations will be approved on the scale applied for.
- (9) It is assumed that the subject company has an indeterminate life, the value into perpetuity was calculated by applying a perpetuity growth rate of 2% per annum to the cash free cash flow from 2030 and onwards based on the forecasted inflation rate of Hong Kong.
- (10) It is assumed that the discount rate is 9.9%, which is based on estimated weighted average cost of capital that incorporates the cost of equity and debt, weighted by the proportionate amount of each source of capital structure.
- (11) It is assumed that the subject company is subject to Hong Kong profit tax rate of 16.5%.

The Board has reviewed the methodology, basis and assumptions adopted in the valuation and is of the view that the methodologies, including the different valuation approaches and methods considered and applied by the independent valuer, and the assumptions adopted by the independent valuer, are fair and reasonable. As such, the Directors consider the Consideration is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

For the avoidance of doubt, it is noted that the consideration for the 2020 Acquisition was based on the financial projections of the Target Group in 2020, which is not comparable with the Consideration as the business environment, financial performance and projections of the Target Group has significantly changed since 2020, mainly due to (i) the end of COVID-19 pandemic in 2023; (ii) fare increases of 12.0% for the CTB (F1) Franchise and the NWFB Franchise in 2021, and 4.9% for the Merged Franchise and 4.2% for the CTB (F2) 2023 Franchise in 2023, respectively; (iii) the financial performance of the Target Group has shown improvement; (iv) the improved flexibility in bus route planning and operations resulting from the Merged Franchise; and (v) the certainty on the future operations of the business upon the renewal and grant of the new Merged Franchise and the CTB (F2) 2023 Franchise until 1 July, 2033 and 1 May, 2033, respectively.

Confirmations

KPMG, being the Company's reporting accountants, has reported to the Directors in respect of the compilation of the discounted future cash flows in connection with the valuation of the Target Company prepared by the independent valuer in the valuation report, which do not involve the adoption of accounting policies.

Anglo Chinese has confirmed that the valuation of the Target Company as at 31 December, 2023 in the valuation report, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiry.

A report from KPMG in compliance with Rule 14.60A(2) of the Listing Rules is included in Appendix I to this announcement and a letter from Anglo Chinese in compliance with Rule 14.60A(3) of the Listing Rules is included in Appendix II to this announcement.

Experts and consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Anglo Chinese	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Kroll (HK) Limited	Independent valuer
KPMG	Certified Public Accountants, Hong Kong

As at the date of this announcement, each of Anglo Chinese, Kroll (HK) Limited and KPMG does not have any shareholding, directly or indirectly, in any member of the Enlarged Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Enlarged Group. To the best of the Directors' knowledge, information and belief, each of Anglo Chinese, Kroll (HK) Limited and KPMG is an Independent Third Party.

Each of Anglo Chinese, Kroll (HK) Limited and KPMG has consented to the inclusion of its independent report on calculations of discounted cash flows in this announcement (where applicable) and the references to its name in the form and context in which they are included.

Consideration Shares

As at the date of this announcement, the Company had 3,956,638,000 Shares in issue. Assuming no other change in the total number of issued Shares, the 278,915,965 Consideration Shares, if issued, will represent (i) approximately 7.05% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 6.59% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the existing Shares then in issue. The Consideration Shares will be issued under the Specific Mandate to be sought at the EGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Conditions precedent

Completion is conditional upon each of the following conditions having been satisfied or, where applicable, waived by Glorify or the First Vendor (on behalf of the Vendors):

- (i) (1) the Vendor Warranties (other than the Fundamental Warranties) remaining true and accurate and not misleading in all material respects; and (2) the Fundamental Warranties remaining true and accurate and not misleading in all material respects;
- (ii) there is no occurrence of a CP Material Adverse Change on or before the date of the EGM;
- (iii) the deed of release in respect of the 2020 NWS Share Charge having been executed by NWS Service and evidence thereof has been delivered to Glorify;
- (iv) all necessary consents, and/or approvals from the shareholders, regulators, bankers and creditors and any other third party required to be obtained on the part of the Vendors and/or the Target Group in respect of the Acquisition Agreement and/or the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (v) the Stock Exchange having confirmed that the Acquisition contemplated under this Agreement does not constitute a “reverse takeover” transaction as defined under Rule 14.06B of the Listing Rules, and the Company would not be deemed as a new listing applicant;

- (vi) the passing of the requisite resolution(s) by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) approving the Acquisition Agreement, the New Shareholders' Agreement, the grant of the Specific Mandate, and the transactions contemplated under the relevant transaction documents (including the Acquisition, the Call Option and the Put Option) at a general meeting of the Company to be convened in accordance with the requirements under the Listing Rules;
- (vii) all necessary regulatory filings with, notifications to and waivers, consents, clearance and approvals of the relevant authorities to be obtained on the part of Glorify and/or the Company in respect of the relevant transaction documents and/or the transactions contemplated hereunder and thereunder having been made and obtained, and such filings, notifications, waivers, consents, clearance and approvals remaining valid and effective (and if such filings, notifications and approvals are subject to conditions, if required by the relevant authorities, such conditions being fulfilled or satisfied before Completion);
- (viii) the payment in full of the Earnest Money;
- (ix) the Purchaser Warranties remaining true and accurate and not misleading in all material respects; and
- (x) the Shares remaining listed on, and not having been withdrawn from, the Main Board of the Stock Exchange.

Save that (a) Glorify may at its sole discretion at any time waive in writing in whole or in part the conditions set out in (i)(1) and (ii), and (b) the Vendors (represented by TWB Holdings) may at their sole discretion at any time waive in writing in whole or in part the conditions set out in (ix) and (x), all other conditions are not capable of being waived by either the Purchaser or the Vendors.

If Completion or closing of the Strategic Purchase has not occurred on or before 12:00 p.m. on the Long Stop Date, the Acquisition Agreement shall cease and determine and thereafter no parties thereto shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof.

As at the date of this announcement, the condition precedent set out in (v) above has been fulfilled.

Completion

Subject to the satisfaction (or waiver, as applicable) of all the conditions set out in the section "Conditions precedent" above, Completion shall take place on the date falling on the tenth (10th) Business Day after the satisfaction of condition (vi) (in respect of the

passing of the requisite resolution(s) to approve the Acquisition at the EGM), or such other date as TWB Holdings (on behalf of itself and the Second Vendor) and Glorify may agree.

Strategic Purchase and refund of Earnest Money and Second Cash Payment

Given that the Acquisition is subject to the various conditions precedent mentioned above (some of which are beyond the parties' control), as part of the commercial negotiations between the Vendors and Glorify, the Vendors required an act for good faith to assure them of Glorify's commitment to the Acquisition. As a result, the Vendors requested that the following arrangements to be put in place.

If conditions (i)(2) (in respect of Fundamental Warranties), (vi) (in respect of the passing of the requisite resolution(s) to approve the Acquisition at the EGM) and (viii) (in respect of the payment of the Earnest Money) set out in the section headed "Conditions precedent" have been fulfilled and remain fulfilled, but condition (ii) (in respect of there being no occurrence of a CP Material Adverse Change on or before the date of the EGM) is not satisfied as at the date of the EGM, the parties to the Acquisition Agreement agree that Completion shall not take place, but Glorify shall instead purchase 350 Sale Shares (being 346.54 First Vendor Sale Shares and 3.46 Second Vendor Sale Shares or such other number of BTHL Shares as determined by the First Vendor (for itself and on behalf of the Second Vendor), provided that in no event shall the aggregate number of BTHL Shares exceed 350 Sale Shares and such that the consideration to be received by each Vendor shall represent HK\$500,000 per Sale Share)) (the "**Strategic Purchase**"), and the Earnest Money shall be applied towards settlement in full of the consideration for such Sale Shares. Closing of the Strategic Purchase shall take place on a date to be agreed between the parties, which shall in any event be not later than the Long Stop Date. Should the Strategic Purchase occur, upon closing of the Strategic Purchase, Glorify's shareholding in BTHL will increase from 15.56% to 19.06%.

Taking into account the factors set out in the section headed "Reasons for and benefits of the Acquisition" below, the Directors consider that the Strategic Purchase, should it occur, would also be in line with the overall development strategy of the Group, and the Strategic Purchase was agreed to by the Company after arm's length negotiations between the parties.

If any the conditions set out in (i)(2) (in respect of Fundamental Warranties remaining true and accurate and not misleading in all material respects) and (vi) (in respect of the passing of the requisite resolution(s) to approve the Acquisition at the EGM) in the section headed “Conditions precedent” above are not fulfilled by the Long Stop Date, neither Completion nor the Strategic Purchase will occur, and the Earnest Money and the Second Cash Payment (if paid) shall be refunded in full (without interest) by the Vendors to Glorify.

Undertakings of TWB Holdings

Pursuant to the Acquisition Agreement, with respect to the Consideration Shares:

- (i) for a period of one year from the Completion Date, TWB Holdings shall not directly or indirectly offer, pledge, sell, or otherwise transfer, dispose of or encumber any of the Consideration Shares;
- (ii) as from the day after the first anniversary of the Completion Date, TWB Holdings may dispose of up to 25% of the Consideration Shares;
- (iii) as from the day after the second anniversary of the Completion Date, TWB Holdings may dispose of up to a further 35% of the Consideration Shares, but in any event shall not dispose of more than 60% of the Consideration Shares in aggregate; and
- (iv) on or after the third anniversary of the Completion Date, TWB Holdings may dispose of any or all of the Consideration Shares then held by it.

Security

As security for the payment of the deferred consideration under the 2020 Acquisition, TWB Holdings had granted a share charge over 51% of the total issued BTHL Shares to NWS Service (i.e. the 2020 NWS Share Charge). Under the 2020 Acquisition Agreement, until the instalment payments (and accrued interest, if any) under the 2020 Acquisition Agreement have been made in full to NWS Service, if there was any proposed transfer of the BTHL Shares which would result in TWB Holdings ceasing to hold at least 51% of the total issued BTHL Shares, a replacement share charge over 51% of the total issued BTHL Shares was required to be given to NWS Service. As at the date of this announcement, two instalment payments of the deferred consideration in an aggregate amount of HK\$310 million in respect of the 2020 Acquisition are outstanding and are due and payable by BTHL (being the purchaser under the 2020 Acquisition Agreement) to NWS Service in October 2024 and October 2025. Accordingly, in order to facilitate the Acquisition, TWB Holdings will arrange with NWS Service for the 2020 NWS Share Charge to be released by NWS Service immediately prior to Completion, and immediately after Completion, it will be replaced by a new share charge over 51% of the total issued BTHL Shares to be granted by Glorify and TWB Holdings, on a pro rata basis based on their respective shareholding in BTHL immediately after Completion, to NWS Service to secure the payment of the outstanding deferred consideration under the

2020 Acquisition (i.e. the 2024 NWS Share Charge). As such, upon Completion, under the 2024 NWS Share Charge, each of Glorify and TWB Holdings will grant a share charge in respect of 3,600 BTHL Shares (representing 36% of the total issued BTHL Shares) and 1,500 BTHL Shares (representing 15% of the total issued BTHL Shares), respectively, to NWS Service.

As security for the payment of the Deferred Payment under the Acquisition, Glorify shall grant a share charge over 3,400 BTHL Shares (being the BTHL Shares held by Glorify at Completion which are not charged under the 2024 NWS Share Charge, representing 34% of the total issued BTHL Shares) in favour of TWB Holdings (i.e. the First Vendor Share Charge) upon Completion. Based on the Consideration per Sale Share of HK\$500,000, the value of the BTHL Shares to be charged under the First Vendor Share Charge is HK\$1,700,000,000. The Deferred Payment (excluding Deferred Payment Interest and Additional Interest) due to TWB Holdings and ABL under the Acquisition is HK\$2,000,000,000 (representing approximately 73.47% of the Consideration). Given that 50% or more of the Consideration due to TWB Holdings and ABL would be paid on a deferred basis, the Vendors required the security arrangement to be put into place in order to mitigate the risks associated with deferred payment. After arm's length negotiations, the parties considered that the value of the security (i.e. the value of the BTHL Shares under the First Vendor Share Charge) was an appropriate amount of collateral relative to the amount of the Deferred Payment.

Based on the above, the Directors considered that the proportion of BTHL Shares to be charged by Glorify under the 2024 NWS Share Charge and the First Vendor Share Charge upon Completion are fair and reasonable.

The New Shareholders' Agreement

Subject to Completion taking place, the existing shareholders' agreement in respect of BTHL dated 21 August, 2020 and amended on 15 October, 2020 entered into by Glorify, TWB Holdings and ABL shall terminate with effect from the Completion Date, and at Completion, Glorify and TWB Holdings shall enter into a new shareholders' agreement in respect of BTHL (the "**New Shareholders' Agreement**"), the principal terms of which are set out below:

Scope of business

The business of BTHL is to procure that the BTHL Group conducts the business currently operated by the BTHL Group, namely, the provision of franchised and non-franchised bus services and advertising services.

Board composition and management

The board of BTHL will comprise five directors, with Glorify and TWB Holdings being entitled to nominate three and two directors, respectively, provided that, among other things, with regard to a party to the New Shareholders' Agreement, the said number will reduce in the event that, that a party thereto transfers or disposes of its BTHL Shares to the extent and in the circumstances provided for in the New Shareholders' Agreement; and in respect of TWB Holdings, in the event that it holds BTHL Shares representing 10% or less of the total issued BTHL Shares, the number of directors it may appoint to the board of BTHL shall be reduced to one, and its right to appoint a director shall cease entirely upon it ceasing to hold BTHL Shares representing 1.0% of the total issued BTHL Shares. The business and affairs of BTHL shall be managed by the board of directors of BTHL.

The parties thereto shall procure that no resolution be passed by BTHL's board of directors in respect of any of the following matters without the affirmative vote of at least one director nominated by Glorify (where appointed) and one director nominated by TWB Holdings (where appointed) present and/or represented at such meeting:

- (a) changing the business of the Target Group (or any part thereof); consolidating or merging the business of the Target Group with any other business(es); or divesting any part of the business or assets comprised in the business of the Target Group; and
- (b) any member of the BTHL Group providing loans or giving any guarantee or indemnity for a debt or obligation of, another person (other than those to a member of the BTHL Group).

Glorify's call option and TWB Holdings' put option

At any time during the Call Option Period, subject to all outstanding amounts due to the Vendors under the Acquisition Agreement having been settled in full, Glorify shall have the option (but not the obligation) (the "**Call Option**"), exercisable by serving a written notice on TWB Holdings, to purchase all or part of the BTHL Shares then held by TWB Holdings, at the Call Price of HK\$500,000 per BTHL Share, plus an amount which represents an interest accruing at the rate of 3% per annum (simple interest) on the Call Price for the period commencing on the first day of the Call Option Period up to the date of exercise of the Call Option (together with the Call Price, the "**Call Consideration**"), provided that the number of the BTHL Shares being the subject matter of each Call Option notice shall be in integral multiples of 100.

If Glorify does not exercise its aforesaid Call Option in full during the Call Option Period, during the Put Option Period, TWB Holdings shall have the option, exercisable by serving a written notice on Glorify, to require Glorify to purchase the BTHL Shares held by it (and not being the subject matter of any Call Option notice) on the commencement date of the Put Option Period (the "**Put Option**", and the total number of BTHL Shares then held by TWB Holdings shall be referred to as the "**Put Option**

Shares”), at the Put Price of HK\$500,000 per BTHL Share, plus an amount which equals to the sum of (i) an interest accruing at the rate of 3% per annum (simple interest) on the Put Price for the Call Option Period, and (ii) an interest accruing at the rate of 5% per annum (simple interest) on the Put Price for the period commencing on the first day of the Put Option Period up to the date of exercise of the Put Option (together with the Put Price, the “**Put Consideration**”), in three tranches as follows: (a) on the commencement date of the Put Option Period, up to one third (1/3) of the Put Option Shares (if that is not a whole number, it shall be rounded up to the next whole number) (the “**1st Tranche Put Shares**”); (b) on the date of the first anniversary of the commencement of the Put Option Period, up to one third (1/3) of the Put Option Shares (if that is not a whole number, it shall be rounded up to the next whole number) plus the balance of the 1st Tranche Put Shares that have not been sold (and not being the subject matter of any Put Option notice) to Glorify; and (c) at the end of the Put Option Period, with regard to all the BTHL Shares then held by TWB Holdings, provided that the Put Option shall be deemed exercised on the last day of the Put Option Period in respect of all (but not part) of the BTHL Shares (if any) then held by TWB Holdings (and which are not subject to any abovementioned written notice issued in respect of Call Option or Put Option), and TWB Holdings shall also serve the aforesaid written notice to Glorify.

The Call Price and Put Price, respectively, of HK\$500,000 per BTHL Share were determined on the basis of the Consideration per Sale Share of HK\$500,000. For illustration purpose only, assuming no other changes in the total issued BTHL Shares from Completion, should Glorify exercise the Call Option in full at the end of the Call Option Period, the Call Consideration payable shall be HK\$1,725 million, which comprises the principal of HK\$1,500 million and the interest of HK\$225 million; and in the event that Glorify does not exercise the Call Option and TWB Holdings exercises the Put Option in full at the end of the Put Option Period, the Put Consideration payable shall be HK\$1,875 million, which comprises the principal of HK\$1,500 million and the interest of HK\$375 million. Upon the exercise of the Call Option or the Put Option, the Call Consideration or the Put Consideration (as the case may be) shall be settled in cash in accordance with the terms of the New Shareholders’ Agreement.

For the payment of the Call Consideration and/or Put Consideration, the Group intends to use the internal resources, bank borrowings and fundraising activities of the Enlarged Group, including but not limited to issuance of securities, exercise of share options and/or Shareholder’s loans.

Restrictions on transfer and issue of BTHL Shares

None of the parties to the New Shareholders’ Agreement shall be permitted to transfer any of its BTHL Shares except in accordance with the terms of the New Shareholders’ Agreement (i.e. the following situations: (i) transfers between the parties thereto, (ii) the Drag-along Right (as defined below), (iii) the Tag-along Right (as defined below), (iv) the Call Option, (v) the Put Option, (vi) upon enforcement of the 2024 NWS Share Charge and (vii) upon enforcement of the First Vendor Share Charge). In the event of a sale by

Glorify of its BTHL Shares to a third party, Glorify may require TWB Holdings to sell all of its BTHL Shares on the same terms as those offered to Glorify (the “**Drag-along Right**”). Subject to the foregoing and if Glorify does not exercise the Drag-along Right, TWB Holdings shall have the right, but not the obligation, to sell (together with Glorify) (i) if Glorify’s percentage holding of the BTHL Shares after the completion of the aforesaid transfer will fall below 50% of the total issued BTHL Shares, all of the BTHL Shares then held by TWB Holdings, or (ii) in other cases, such number of BTHL Shares in the same proportion as the number of BTHL Shares to be transferred by Glorify over the total number of the BTHL Shares then held by Glorify (the “**Tag-along Right**”). In the event of the exercise of the aforesaid Drag-along Right or the Tag-along Right, the minimum consideration to be received by TWB Holdings per BTHL Share shall be not less than the Call Consideration or the Put Consideration (as applicable at the time of exercise of the aforesaid rights).

Further, without the consent of both parties to the New Shareholders’ Agreement, no new securities (including shares or convertible bonds) of BTHL shall be issued from the date of the New Shareholders’ Agreement up to the end of the Put Option Period.

Undertaking of Mr. An

On 24 May, 2024, Mr. An has given an undertaking in favour of the Company, pursuant to which Mr. An has unconditionally and irrevocably undertaken to the Company that, to the extent permitted under the Listing Rules, he shall exercise (or procure to be exercised) all voting rights attaching to a total of 2,766,593,980 Shares (representing approximately 69.92% of the total issued share capital of the Company as at the date of this announcement) to vote in favour of the resolution(s) to be proposed at the EGM to approve the Acquisition Agreement, the New Shareholders’ Agreement and the transactions contemplated thereunder.

THE ISSUE PRICE

The Issue Price of HK\$0.7961 represents:

- (i) a premium of approximately 99.03% to the closing price per Share of HK\$0.400 as quoted on the Stock Exchange on 23 May, 2024, being the last trading day immediately preceding the date of the Acquisition Agreement;
- (ii) a premium of approximately 103.61% to the average closing price per Share of HK\$0.391 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Acquisition Agreement;
- (iii) a premium of approximately 131.42% to the average closing price per Share of HK\$0.344 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Acquisition Agreement; and

(iv) a premium of approximately 155.49% to the consolidated net asset value per Share attributable to the Shareholders as at 31 December, 2023 of approximately HK\$0.3116 per Share calculated based on the consolidated net assets of the Group attributable to the Shareholders of approximately HK\$1,233,077,000 as at 31 December, 2023 extracted from the 2023 Annual Report and 3,956,638,000 Shares in issue as at the date of this announcement.

The Issue Price has been arrived at after arm's length negotiations between the Company and TWB Holdings, with reference to, among other things, the prevailing market price of the Shares, the financial position of the Group, and the prospects of the Enlarged Group.

THE SPECIFIC MANDATE

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM.

Application will be made to the Stock Exchange for the Listing Approval. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with all the existing Shares in issue. All necessary arrangements will be made for the Consideration Shares to be admitted into CCASS.

EFFECT OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE

The table below illustrates the shareholding of the Company (i) as at the date of this announcement; and (ii) immediately after Completion and the allotment and issue of the Consideration Shares.

Shareholders	As at the date of this announcement		Immediately after Completion and allotment and issue of Consideration Shares	
	No. of Shares	%	No. of Shares	%
Mr. An and his associate(s) (<i>Note</i>)	2,766,593,980	69.92	2,766,593,980	65.32
TWB Holdings	–	–	278,915,965	6.59
Other public Shareholders (excluding TWB Holdings)	<u>1,190,044,020</u>	<u>30.08</u>	<u>1,190,044,020</u>	<u>28.09</u>
Total	<u>3,956,638,000</u>	<u>100.00</u>	<u>4,235,553,965</u>	<u>100.00</u>

Note: The Shares are held directly as to 218,390,000 Shares by Mr. An personally, as to 209,773,980 Shares by Extreme Wise and 2,338,430,000 Shares by Vand Petro-Chemicals. Both companies are wholly-owned by Julius Baer which is the trustee of a trust and Mr. An is a founder of a discretionary trust. By virtue of the SFO, Mr. An is deemed to be interested in the 2,766,593,980 Shares. Mr. An is a director of Extreme Wise, Vand Petro-Chemicals and the Company.

As illustrated above, upon Completion, Mr. An will be interested in approximately 65.32% of the enlarged issued share capital of the Company immediately after the allotment and issue of the Consideration Shares upon Completion. On the foregoing basis, Mr. An will remain as the Controlling Shareholder of the Company and there will be no change of control of the Company as a result of the Acquisition.

INFORMATION ON THE TARGET GROUP

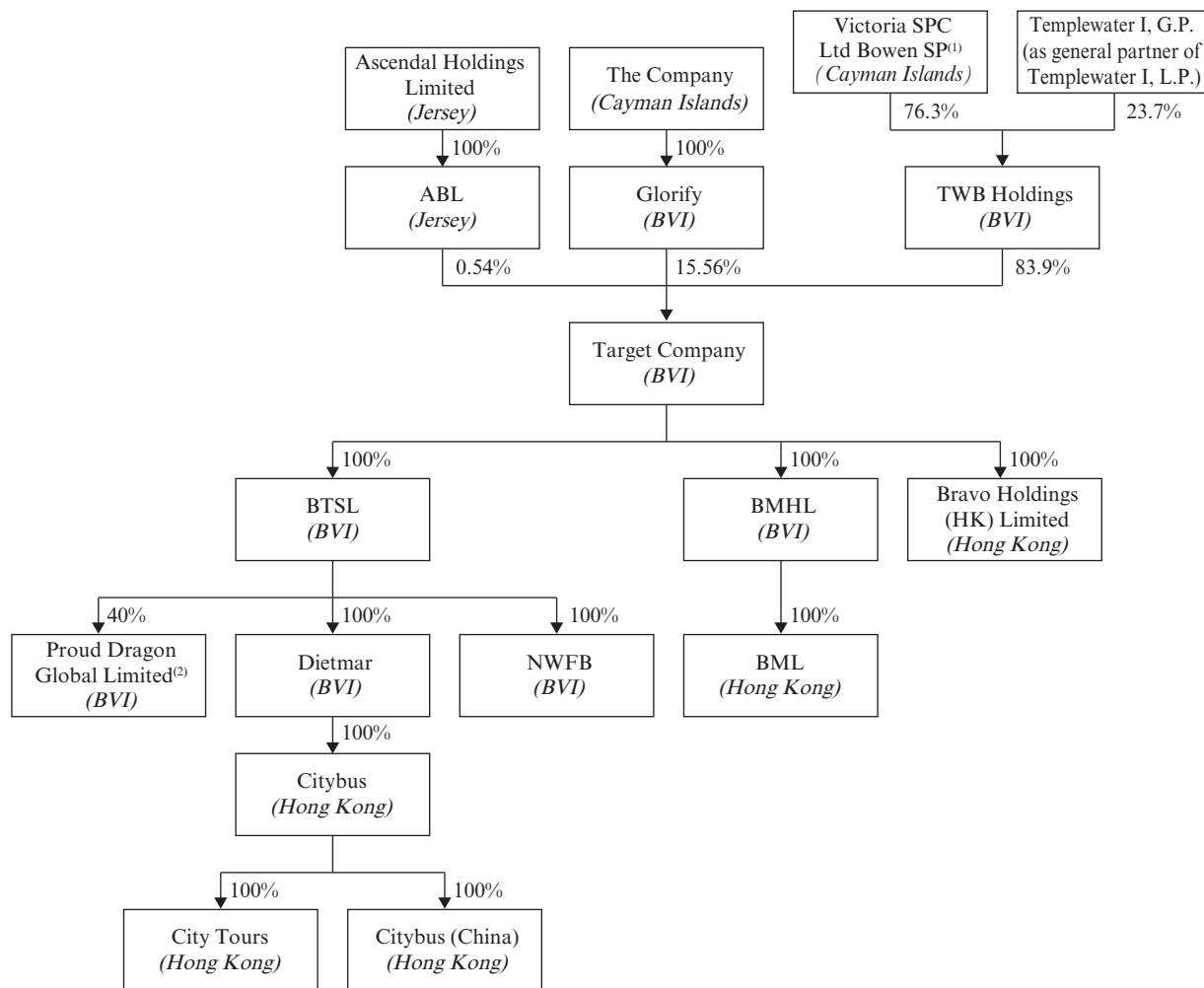
BTHL is a company incorporated on 23 July, 2020 in the BVI with limited liability. BTHL became the holding company of BTSL Group on 15 October, 2020 after the completion of the 2020 Acquisition. The principal subsidiary of BTHL is Citybus (being an indirect wholly owned subsidiary), which, as the franchisee under the Merged Franchise and the CTB (F2) 2023 Franchise, is principally engaged in the provision of public bus and travel related services in Hong Kong. During the Trading Record Period, each of Citybus and NWFB operated bus services in Hong Kong through, among others, public bus franchises granted under the PBSO. Franchised buses, including those operated by Citybus and NWFB, play a significant role in Hong Kong's public transportation system, contributing to approximately one third of the total passenger journeys in 2022. As at the date of this announcement, the Target Group has a bus fleet of over 1,700 registered buses operating over 200 franchised bus routes across Hong Kong Island, Kowloon and the New Territories. In July 2022, Citybus unveiled Hong Kong's first ever hydrogen fuel cell double deck bus, which was specially designed and built for Hong Kong. In conjunction with this development, in May 2023, the Group announced that it will participate and invest in the construction of the first hydrogen refuelling station in Hong Kong, to be located in West Kowloon. The hydrogen refuelling station is currently operated by Citybus and provides hydrogen refuelling services for the operation of Hong Kong's first hydrogen bus owned by Citybus. Citybus introduced the first hydrogen powered bus into its operational fleet in February 2024. To further expand and diversify its business, the Target Group may bid for transport related projects overseas from time to time, as and when such opportunities arise, and in March 2024, the Target Group submitted a bid for a government contract to run a set of public bus services in Singapore.

BML, a wholly-owned subsidiary of BTHL, was incorporated on 28 October, 2021 and is principally engaged in advertising business. Through an open tender process, BML had won the bus body advertising contract to act as the exclusive advertising agency of the bus body (exterior) and bus interior advertising for Citybus for a period of ten years until 2033. In addition, in July 2023, BML (as a service provider) has also won, through an open tender, a contract from a railway operator in Hong Kong for the provision of advertising sales agency services in respect of advertising media at certain railway lines and buses operated by the railway operator, under which BML will be responsible for the operation, sales and marketing of this advertising media.

Shareholding structure of the Target Group

The following charts set out the shareholding structure of the Target Group as at the date of this announcement, upon Completion and upon full exercise of the Call Option and/or the Put Option.

(i) Shareholding structure of the Target Group as at the date of this announcement

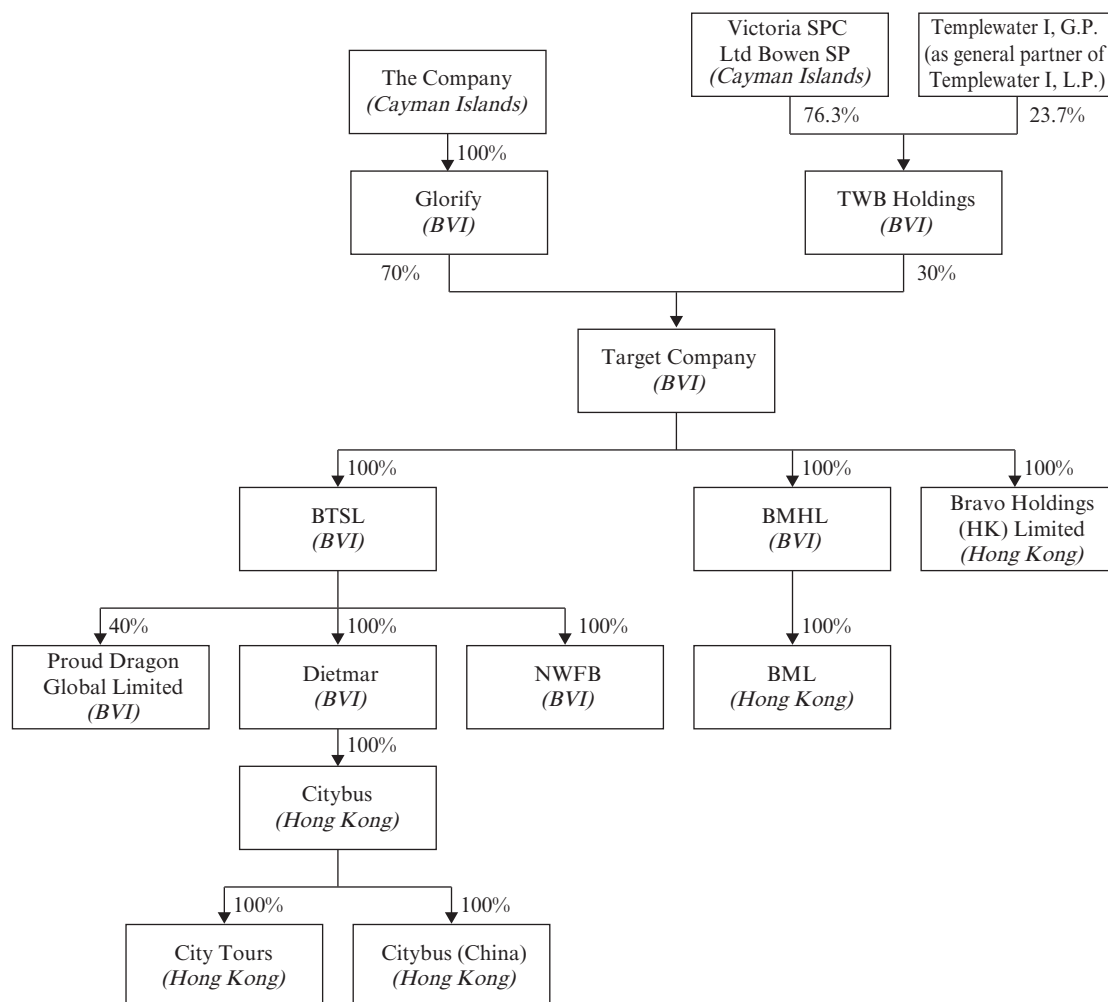


Notes:

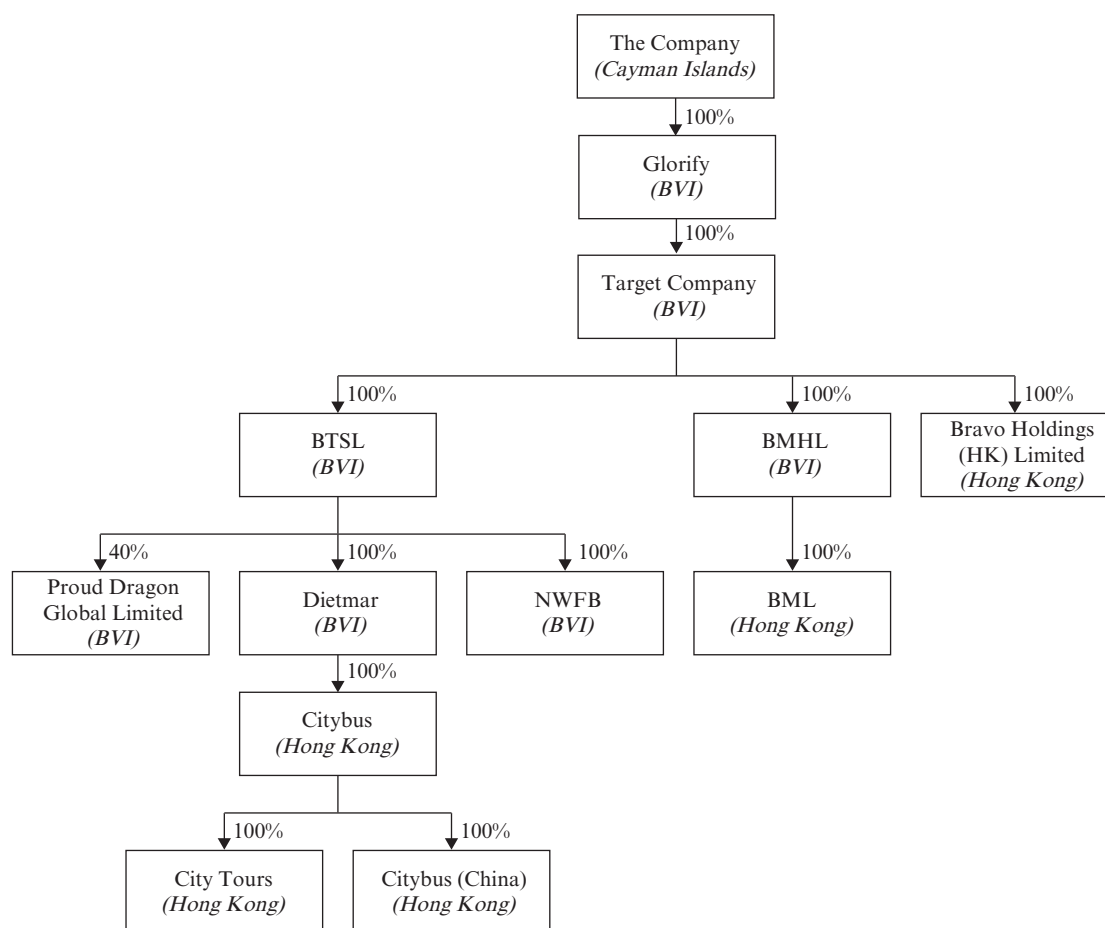
- To the best knowledge, information and belief of the Directors, having made reasonable enquiries, Victoria SPC Ltd Bowen SP and its ultimate beneficial owners, are Independent Third Parties. Templewater, their employees and related family members are the ultimate beneficial owners who hold approximately 82.6% of the equity interest in Victoria SPC Ltd Bowen SP. None of the individual ultimate beneficial owners of the remaining 17.4% holds an equity interest of 10% or more in Victoria SPC Ltd Bowen SP. Please refer to the section headed "Information on TWB Holdings and Templewater" for the details of Templewater.

2. Proud Dragon Global Limited was established by New World First Holdings and BTSL to maintain the existing ORSO schemes of BTSL, Citybus and NWFB after the 2020 Acquisition. As at the date of this announcement, Proud Dragon Global Limited is owned as to 60% by New World First Holdings and 40% by BTSL. Save as mentioned above, Proud Dragon Global Limited has not been involved in any other operations, activities, or purposes.

(ii) Shareholding structure of the Target Group immediately upon Completion



(iii) Shareholding structure of the Target Group upon full exercise of the Call Option and/or the Put Option



Financial Information of the Target Group

The table below sets forth the consolidated net loss before and after taxation and the revenue of the Target Group during the Trading Record Period based on the actual consolidated financial information of the Target Group prepared in accordance with Hong Kong Financial Reporting Standards:

	FY2021	FY2022	FY2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2,838,572	2,538,395	3,399,509
Loss before taxation	(246,281)	(286,248)	(63,474)
Loss after taxation	<u>(220,619)</u>	<u>(206,582)</u>	<u>(73,628)</u>

During the Trading Record Period, the loss after taxation of the Target Group decreased by approximately HK\$14.0 million and HK\$133.0 million in FY2022 and FY2023, respectively. For FY2022, the slight decrease was primarily due to increase in income tax credit, which was partially offset by the decrease in revenue and other income. For FY2023, the decrease was primarily due to the increase in revenue and other income, which was partially offset by the increase in the operating costs and the finance costs.

During the Trading Record Period, the consolidated net asset value of the Target Group as at 31 December, 2021, 2022 and 2023 was approximately HK\$1,365.5 million, HK\$1,028.8 million and HK\$615.1 million, respectively. The net asset value of the Target Group decreased by approximately HK\$336.7 million and HK\$413.7 million as at 31 December, 2022 and 2023, respectively. The decrease of net asset value as at 31 December, 2022 compared to 31 December, 2021 was primarily due to (i) the loss from operations of approximately HK\$205.3 million in FY2022; and (ii) the payment of dividend amounted to HK\$200.0 million during FY2022. The decrease of net asset value as at 31 December, 2023 compared to 31 December, 2022 was primarily due to (i) the payment of dividend amounted to HK\$250.0 million during FY2023; and (ii) the total comprehensive loss for the year of approximately HK\$163.2 million in FY2023. Despite incurring losses, the Target Group had sufficient cash and cash equivalents to maintain its business operations and distributed dividends during FY2022 and FY2023 in accordance with the constitutional documents of the relevant Target Group members and the relevant laws and regulations.

INFORMATION ON THE PARTIES AND THEIR RELATIONSHIPS WITH THE TARGET GROUP

Information on Glorify and the Group

Glorify is principally engaged in investment holding and is a wholly-owned subsidiary of the Company. The Group is a leading operator in providing integrated facilities of jetties, storage tanks, warehousing and logistic services in south China for petroleum and liquid chemicals products, offering value-added services in its own ports and storage tank farms, trading of oil and petrochemical products and leasing of a filling station business.

Information on TWB Holdings and Templewater

TWB Holdings is an investment holding company owned by Templewater I, L.P. (an international private equity fund) and a segregated portfolio company of Victoria SPC Ltd Bowen SP (a co-investment platform). TWB Holdings is controlled, advised and managed by Templewater I, G.P., which is wholly-owned by Templewater Holdings Limited, an alternative investment firm founded by Investec Bank plc and Mr. Zhang Kun, Cliff (“**Mr. Zhang**”).

Investec was founded in South Africa in 1974 and entered the UK in 1992. In 2002, the group implemented a dual listed company structure with Investec plc listed on the London Stock Exchange and Investec Limited listed on the Johannesburg Stock Exchanges. Investec Bank plc is wholly owned by Investec plc, and is a UK specialist bank.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Investec plc and Mr. Zhang are the ultimate beneficial owners of Templewater Holdings Limited, each beneficially interested in 50% of the equity interest in Templewater Holdings Limited.

Prior to founding Templewater Holdings Limited, Mr. Zhang worked at Chow Tai Fook Enterprises Limited and the investment banking division of HSBC and Deutsche Bank in Hong Kong, and he is experienced in corporate advisory, capital markets and private equity investments.

The Templewater group is a leading asset management firm in Asia, with investment strategies across private equity, property and decarbonization. Templewater HK is the principal operating entity of Templewater in Hong Kong, and is SFC licensed for regulated activities of Type 1, Type 4 and Type 9.

Templewater has been instrumental in assisting the Hong Kong Government in introducing hydrogen as an alternative energy source into Hong Kong’s ground mobility and public transport. In May 2023, the Hong Kong Government granted its “agreement-in-principle” to Citybus regarding the trial projects on hydrogen fuel technology, including use of the first hydrogen fuel cell double-decker bus and the construction of the first hydrogen refuelling station. Templewater and the Company have participated in the development and construction of the hydrogen refuelling station.

Decarbonization has been a core focus of Templewater’s investment strategies, and Templewater has a dedicated decarbonization team focused on the investment into and development of decarbonization technologies, assets, government policies — for example, the hydrogen related regulations for franchised buses in Hong Kong — and industry standards. In recent years, Templewater has been specifically focusing on a decarbonization and impact investment strategy, including investments in hydrogen

energy projects, and has entered into strategic partnerships with PRC and international corporates and governmental authorities in relation to hydrogen development and collaboration.

Templewater's management and the decarbonization team have been assisting Citybus in its transition to a clean energy bus fleet, and have played a critical role in sourcing, developing, executing and policy shaping for Citybus to bring in Hong Kong's first electric double decker bus, first hydrogen double decker bus and first hydrogen refuelling station.

Cooperation between the Target Group and Templewater

Hydrogen Advisory and Consultancy Agreement

Notwithstanding that the Target Group has a core management team with extensive knowledge and experience in the public bus services industry, the Target Group considered that Templewater, with a track record and extensive experience in areas including the green/renewable energy sector as mentioned above, and having a deep understanding of the Target Group's business in the time it has been a shareholder of BTHL, was well-positioned to serve as a strategic consultant to the Target Group and advise the Target Group in its transitional journey into green/renewable energy and other business expansions, thus complementing the knowledge and experience of the existing management team whose experience is more focused on the management of a traditional bus operation. In this connection, on 8 April, 2024, BTSL entered into the hydrogen advisory and consultancy agreement (the "**TW Advisory Agreement**") with Templewater HK to record the terms on which Templewater HK (as consultant and advisor to the BTSL Group) has provided advisory services to BTSL with effect from 1 January, 2024. Pursuant to the terms set out in the TW Advisory Agreement, such advisory services include, *inter alia*, advising the BTSL Group on its transition into the next generation of vehicles powered by hydrogen or other green/renewable fuel sources, as well as business developments and acquisitions. The principal services and other terms of the TW Advisory Agreement are as follows:

Services: The services provided by Templewater HK to BTSL include the following advisory and consultancy services:

- 1) assisting the BTSL Group to transition towards use of Green Energy Buses in Hong Kong for the business of the BTSL Group and matters ancillary thereto, including:
 - (i) conduct feasibility studies to determine the viability of use of Green Energy Buses, including assessment of availability of refuelling stations, potential routes to be covered by such vehicles, and the impact on cost of operation;

- (ii) assisting the BTSL Group to determine the most suitable models of Green Energy Buses for its operations in Hong Kong (e.g. taking into account Hong Kong's unique territory and climate etc.);
- (iii) assisting the BTSL Group to assess and shortlist suppliers of Green Energy Buses and providers of resources and support services (e.g. maintenance, fuelling stations), with contingency plans to cater for events like supply chain disruptions;
- (iv) developing strategic plans for the rollout of bus services operated by Green Energy Buses, such as developing timelines, identifying necessary resources, planning infrastructure around having Green Energy Buses on the road, upgrading of existing properties of the BTSL Group (e.g. bus depots) to cater for Green Energy Buses, and defining key performance indicators (e.g. emissions reduction) to be achieved from use of Green Energy Buses;
- (v) identifying suitable talent for, or upskilling existing staff to, operate and manage the new business unit responsible for operations and support of the Green Energy Buses and, if requested by the BTSL Group, to provide transitional staffing, management and human resources support as the internal team is being established;
- (vi) keeping the BTSL Group abreast of latest developments in the green energy technologies and advising on necessary or recommended upgrades during the term of the agreement;
- (vii) providing on-site staff for training and/or related matters; and
- (viii) advising on green/renewable energy related matters generally.

- 2) assisting the BTSL Group on business development and strategic opportunities, both in Hong Kong and globally, which requires a team of analysts of Templewater to review and ascertain which projects will be appropriate for the development and growth of the BTSL Group, including:
 - (i) identifying potential business opportunities for existing business units of the BTSL Group, including availability of new tenders and advising on the strategy for the bid;
 - (ii) identifying new markets and new areas into which the BTSL Group can expand, leveraging and building on the existing business track record of the BTSL Group;
 - (iii) sourcing, reviewing and advising on potential merger and acquisition opportunities in Hong Kong and globally;
 - (iv) where requested by the BTSL Group, liaising with counterparties, negotiating terms of transactions, co-ordination of and attending meetings relating to the identified opportunities; and
 - (v) advising on appropriate fundraising strategies (capital and/or debt) for different opportunities.

Term:

The TW Advisory Agreement is for an initial term of three years with effect from 1 January, 2024. At the expiry of the initial three year term, (i) if TWB Holdings holds 5% or more of the total issued BTHL Shares, the term of the TW Advisory Agreement shall be automatically renewed for a period of 24 months; or (ii) if TWB Holdings holds less than 5% of the total issued BTHL Shares, the term of the TW Advisory Agreement may be renewed for a period of 24 months at the option of BTSL; and (iii) thereafter, subject to the agreement of the parties, for successive periods of twelve (12) months and for the avoidance of doubt, other than in respect of the automatic renewal as referred above, BTSL shall not be under any obligation to extend the term of the TW Advisory Agreement in such instance.

In considering any extension of the term in the circumstance described in (ii) and (iii) above, BTSL will take into account the nature and quality of the services provided by Templewater, including but not limited to (i) Templewater's contribution towards assisting the BTSL Group in its investment in and operation of Green Energy Buses and hydrogen refuelling stations; (ii) the completion of the construction and operation of the second hydrogen refueling station of Citybus; and (iii) the progress and pricing of procurement of at least 20 additional Green Energy Buses to the bus fleet of the BTSL Group.

Consultancy fees:

In addition to reimbursement of expenses reasonably and properly incurred by Templewater in connection with the provision of the services, the consultancy fee payable by the BTSL Group under the TW Advisory Agreement shall be HK\$20,000,000 per year, payable in arrears in four equal instalments for each period of three months of the term, and a discretionary bonus of HK\$5,000,000 each year.

The consultancy fee was determined after arm's length discussion between BTSL and Templewater HK. In determining the consultancy fee, the parties took into consideration, including but not limited to, the scope of services to be provided during the term, the experience and knowledge of the Templewater group in the green and renewable energy sector, as described above, and the resources deployed by Templewater HK towards providing the services. Taking into account that advances in green and renewable energy are in ever changing mode, it was envisaged that Templewater HK would devote a team ranging from eight to ten people to keep updated with the industry developments and provide the services to the BTSL Group. Based on the information available to the Company, the consultancy fee charged by Templewater HK under the TW Advisory Agreement was comparable to fees charged by other industry consultants on a time-charge basis. Accordingly, the management of the Target Group considered, and the Company concurred, that the fee was fair and reasonable to the Target Group.

As BTHL and BTSL were both holding companies for Citybus and NWFB (with BTHL being incorporated for this purpose), their respective boards of directors mainly consisted of appointees of their respective investors. Mr. Zhang and Mr. Nicolas Charles Philippe de Mascarel de la Corbiere (“**Mr. de Mascarel de la Corbiere**”) are among the appointees of TWB Holdings. Upon Completion, TWB Holdings will continue to hold 30% of the total issued BTHL Shares. TWB Holdings is controlled, advised and managed by Templewater I, G.P., which is wholly-owned by Templewater Holdings Limited, which is in turn owned as to 50% by Investec Bank plc and 50% by Mr. Zhang. Templewater HK is also wholly-owned by Templewater Holdings Limited. Mr. de Mascarel de la Corbiere is currently a director of Templewater HK and a Managing Partner of Templewater. Mr. Zhang and Mr. de Mascarel de la Corbiere will remain as directors of BTHL and BTSL after Completion.

The TW Advisory Agreement (including the payment of the consultancy fee and the discretionary bonus thereunder) is a pre-existing arrangement between the Target Group and the Templewater group that was entered into prior to the Acquisition Agreement, and the parties to the TW Advisory Agreement were not, and are not, connected persons of the Company as at the date of the Acquisition Agreement. For the purpose of Chapter 14A of the Listing Rules, after Completion, TWB Holdings will become a substantial shareholder of a subsidiary of the Company (i.e. BTHL), and will be regarded as a connected person of the Company at the subsidiary level. Templewater Holdings Limited, as the indirect holding company of TWB Holdings as described above, is an associate of TWB Holdings and therefore will become a connected person of the Company under Chapter 14A of the Listing Rules. As Templewater HK is wholly-owned by Templewater Holdings Limited, it is an associate of Templewater Holdings Limited and Templewater HK will become a connected person of the Company for the purpose of Chapter 14A of the Listing Rules after Completion. After Completion, as Templewater HK will become a connected person of the Company for the purpose of Chapter 14A of the Listing Rules by virtue of the relationships discussed above, should the TW Advisory Agreement be renewed, it would constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and the Company will comply with all the applicable requirements under the Listing Rules.

To manage the connected transactions between the Enlarged Group and the Templewater group after Completion, the Company shall ensure that any agreements between members of the Enlarged Group and Templewater group shall be on terms no less favourable than those provided by Independent Third Parties, be fair and reasonable and in the interests of the Shareholders as a whole.

Master Framework Agreement for Battery-electric Buses

In accordance with the provisions of the Franchises, the Target Group selects bus suppliers primarily through open tender. In order to transition into and develop a greener bus fleet, an open tender for the procurement of battery-electric buses was conducted by Citybus in June 2021 (the “**2021 Tender**”). Wisdom submitted a bid in response to the 2021 Tender and was informed in August 2021 that it was one of the successful bidders. A first framework agreement was entered into between Wisdom, as the supplier and Citybus, as the purchaser, in March 2022. Subsequently, upon expiry of the first framework agreement, Citybus conducted a second open tender in 2023 in response to which Wisdom (HK) submitted a bid. After the said tender process, Wisdom (HK) was informed that it was one of the successful bidders in the tender exercise, and on 11 October, 2023, Citybus, as the purchaser, and Wisdom (HK), as the supplier, entered into the Electric Bus Procurement Framework Agreement.

The principal terms of the Electric Bus Procurement Framework Agreement are as follows:

- Subject:** Citybus shall have the right (but not the obligation) to place one or more orders for up to 50 units of battery-electric double decker buses (the “**Vehicle(s)**”) and Wisdom (HK) shall supply the Vehicles in accordance with the delivery schedule, provided that Citybus shall place the orders on or before 31 December, 2025.
- Term of agreement:** 11 October, 2023 to 31 December, 2025 (being the last date on which an order can be placed by Citybus).
- Price:** The price (the “**Price**”) of each Vehicle is as follows:
- (i) On or before 31 December, 2023: US\$446,000
 - (ii) 1 January, 2024 to 31 December, 2024: US\$447,000
 - (iii) 1 January, 2025 to 31 December, 2025: US\$448,000
- Pricing basis:** The Price of each Vehicle shall be the net price after deducting all trade discounts; and shall include costs for materials, equipment, parts, labour, production, type approval examination, motor vehicle examination, issuance of the certificate of fitness, insurance (including but not limited to the insurance to the port of discharge, insurance in transit and the insurance policies), storage, shipping, custom clearance, local delivery; any applicable taxes and duties; and any other costs and charges necessary for the Vehicle to be delivered to the designated location of Citybus.

Payment term: Wisdom (HK) shall invoice Citybus for each Vehicle in accordance with the agreed Price and the payment terms, and Citybus shall settle Wisdom (HK)'s invoice in accordance with the following payment terms for the supply of each Vehicle:

Within sixty (60) Business Days upon Citybus's receipt of Wisdom (HK)'s invoice 10% of the Price for the Vehicle

Within sixty (60) Business Days upon Citybus's receipt of Wisdom (HK)'s invoice to be issued after the lay-down of the chassis for body-build of the Vehicle together with evidence to prove the aforesaid 50% of the Price for the Vehicle

Within sixty (60) Business Days upon Citybus's receipt of Wisdom (HK)'s invoice to be issued after the Vehicle has passed Citybus's quality control inspection and the motor vehicle examination inspection, and all necessary documentations are ready and available for Citybus to obtain the vehicle registration licence issued by the Transport Department 40% of the Price for the Vehicle

As confirmed by TWB Holdings and the Target Company, the selection of Wisdom (HK) as the supplier and the Price were determined based on the open tender process. The tender process involved the issue of an invitation to tender by Citybus, followed by tender submission by tenderers. The tenders submitted were assessed by Citybus based on price and qualitative assessment criteria under a scoring system adopted by Citybus. The tenders with the highest total scores were recommended to the board of directors of Citybus for consideration and if approved, and Citybus will enter into the relevant agreement(s) with the selected tenderers for the awarded item under the tender.

Information on Wisdom (HK)

Wisdom (HK) is part of the Wisdom group of companies, which is headquartered in the PRC and principally engaged in the design and manufacture of zero-emission commercial vehicles offering both battery-electric vehicles and hydrogen fuel cell electric vehicles. Its products include electric and hydrogen powered buses, coaches, trucks, logistic vehicles and specialised vehicles. Wisdom is the main operating company within the Wisdom group and was founded in 2019. Based on publicly available information, its products have been sold overseas including to Australia and Japan, and in February 2024, it unveiled Hong Kong's first hydrogen-powered tri-axle double decker bus for public use in Hong Kong. The Wisdom group first came to be known to the Templewater group after Wisdom, as an Independent Third Party, submitted a bid in the 2021 Tender. After signing of the first bus supply framework between Wisdom and Citybus in March 2022 in respect of the 2021 Tender, Templewater made a decision to invest into the Wisdom group. In June 2022, Templewater and Ballard Power Systems Inc (a company listed on NASDAQ, stock code: BLDP) led and completed the series A round investment into the Wisdom group, and as at the date of this announcement, the Templewater group controls Wisdom Group Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands and the holding company of the Wisdom group of companies.

Based on information available to the Company, Wisdom (HK) is an indirect wholly-owned subsidiary of Wisdom Group Holdings Limited. The Templewater group controls Wisdom Group Holdings Limited through its shareholding in Wisdom Moon (BVI) Limited, TW Moon Limited, Templewater Wisdom A Limited and Templewater Decarb P2 Ltd, which together hold an aggregate of approximately 58.63% of the total issued shares of Wisdom Group Holdings Limited. Each of Wisdom Moon (BVI) Limited, TW Moon Limited, Templewater Wisdom A Limited and Templewater Decarb P2 Ltd are controlled by Templewater Holdings Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the shareholders of Wisdom Group Holdings Limited (including those controlled by Templewater as disclosed above) and their respective ultimate beneficial owners are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Zhang and Investec plc are the ultimate beneficial owners of Templewater Holdings Limited, each beneficially interested in 50% of the total issued shares of Templewater Holdings Limited.

The Electric Bus Procurement Framework Agreement is a pre-existing arrangement between the Target Group and Wisdom (HK) that was entered into prior to the Acquisition Agreement, and the parties to the Electric Bus Procurement Framework Agreement were not, and are not, connected persons of the Company as at the date of the Acquisition Agreement. As the Electric Bus Procurement Framework Agreement is a framework agreement, Citybus may place order(s) for battery-electric buses from Wisdom (HK) pursuant to the terms of the agreement during its term. As described

above, after Completion, TWB Holdings will become a substantial shareholder of a subsidiary of the Company (i.e. BTHL) and be regarded as a connected person of the Company at the subsidiary level, and Templewater Holdings Limited will become a connected person of the Company for the purpose of Chapter 14A of the Listing Rules, and as Wisdom (HK) is an associate of Templewater Holdings Limited, Wisdom (HK) will become a connected person of the Company, and transactions between members of the Enlarged Group and Wisdom (HK) would be connected transactions of the Company under Chapter 14A of the Listing Rules. As the purchase of battery-electric buses is capital in nature, such transactions would not fall within the scope of continuing connected transactions under Rule 14A.31 of the Listing Rules. The Company will comply with the relevant rules of Chapters 14 and 14A in respect of any purchases of buses from Wisdom (HK) after Completion. To manage the connected transactions between the Enlarged Group and the Wisdom group after Completion, the Company shall ensure that any agreements between members of the Enlarged Group and Wisdom group shall be on terms no less favourable than those provided by Independent Third Parties, be fair and reasonable and in the interests of the Shareholders as a whole.

Information on ABL

ABL is an investment holding company and is principally engaged in the provision of management services to BTSL and its subsidiaries. ABL is a wholly-owned subsidiary of Ascendal Holdings Limited, the parent company of Ascendal Group Limited. Ascendal Group Limited was engaged by BTHL since 2020 to provide fleet management and operating services as well as strategic advice to BTHL and its subsidiaries.

Ascendal Group Limited is a unique organisation that aims to implement world class solutions in how public transportation is perceived, accepted and delivered. Its founder and executive chairman, Mr. Adam Daniel Leishman (“**Mr. Leishman**”), has a proven track record of transformation of public transportation in some of the world’s leading cities, including London and Singapore. Mr. Leishman was a co-founder of Tower Transit in 2013 and led the business as Group CEO during its rapid growth and success achieved both in London and Singapore, epitomized by being awarded the British Expertise International Company of the Year Award in 2017. Ascendal Group Limited has projects in four continents across mobility, infrastructure investment, strategic advisory and urban development. ABL is ultimately wholly owned by a trust of which the beneficiaries comprise Mr. Leishman and his family members. To the best knowledge, information and belief of the Directors, ABL and its ultimate beneficial owners are Independent Third Parties. After Completion, ABL will cease to have any shareholding interest in BTHL.

Since the 2020 Acquisition, the Ascendal Group has provided strategic advisory services related to fleet management and operating services to BTHL (and subsidiaries), which was the acquisition vehicle, and has continued to be the holding company for the investors (i.e. TWB Holdings, ABL and Glorify), for the 2020 Acquisition. Please refer to the section headed “Introduction” of this announcement for the background information

of the 2020 Acquisition. Ascendal Group Limited started providing advisory services to BTHL under an operating partnership agreement entered into in December 2020 which was later replaced by a fleet management and operating agreement (as amended and the term of which commenced in February 2021) (the “**Ascendal Arrangements**”), which leveraged on the experience of the Ascendal team, including but not limited to that of Mr. Leishman, in operations in the public transportation sector. Such arrangements were designed to (i) advise the investors (through BTHL) in identifying strategies to improve performance and meet budgets, (ii) establish a structure to mitigate risks under the franchises and protect BTHL’s, and therefore, its investors’, investments and, later, (iii) provide services for business improvement and overhaul in parallel with negotiations with regard to the renewal of the relevant bus franchises, to be followed by (iv) a higher level and general oversight role aiming to establish a permanent structure readying the business for future opportunities of the investors. The services under the Ascendal Arrangements were provided in two phases. The first phase took place during the first two years of the Ascendal Arrangements and has been completed, and the responsibilities of Ascendal during the first phase included, but were not limited to, leading the Target Group through a business improvement and overhaul phase in parallel with negotiating a franchise renewal, ensuring that the business of the Target Group operated as required under its franchise agreements, risks are mitigated on behalf of the Target Group as much as is reasonably possible and the business of the Target Group meets its targeted budgets. The Ascendal Arrangements are currently in the second phase, and the responsibilities of Ascendal include, but not limited to, the compliance of BTHL with the franchises and other operational licenses held by the Target Group, and ensuring the business of the Target Group are being operated as required under the franchises, risks are mitigated on behalf of BTHL, and the business meets its targeted budgets. The Ascendal Arrangements commenced on 16 February, 2021 and is expected to continue until 15 February, 2026.

Based on the provisions of the Ascendal Arrangements, Ascendal charged a management fee of HK\$18 million each year for the first two years of the term, HK\$8 million for the third year of the term (the period from 16 February, 2023 to 15 February, 2024), HK\$7 million for the fourth year of the term (the period from 16 February, 2024 to 15 February, 2025), and HK\$6 million for the fifth year of the term (the period from 16 February, 2025 to 15 February, 2026). The management fee under the Ascendal Arrangements mainly helped to cover the costs of senior executives engaged for such arrangement, as well as other Ascendal team members who provided services under the Ascendal Arrangements including the cost of Ascendal team to relocate to Hong Kong initially and/or spend substantive time in Hong Kong and a negotiated amount reflecting the expected contributions by Ascendal to increase the efficiencies of bus operations based on their experience. A discretionary bonus may be paid based on Ascendal’s (and its representatives’) performance under the Ascendal Arrangements. As the services under the Ascendal Arrangements were provided by Ascendal through its designated representatives, all employee related costs would, effectively, be borne by Ascendal and the cost to the Target Group would be limited to the management fees. BTHL is also required to pay Ascendal a fixed allowance incurred by Ascendal or its representatives in

connection with the provision of the services during agreement period, in the amount of HK\$1 million each year for the first two years of the term, HK\$445,000 for the third year of the term (the period from 16 February, 2023 to 15 February, 2024), HK\$389,000 for the fourth year of the term (the period from 16 February, 2024 to 15 February, 2025), and HK\$333,000 for the fifth year of the term (the period from 16 February, 2025 to 15 February, 2026).

In view of the experience and track record of the Ascendal Group and Mr. Leishman in the public transportation sector mentioned above, the Target Group is also working with them (including, without limitation, entering into joint venture arrangements) in exploring and identifying new business opportunities, new markets and areas, into which the Target Group can expand, such as Southeast Asia and the Middle East. As at the date of this announcement, Mr. Leishman is a director of each of BTHL, BTSL, Citybus, NWFB and BML.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has long been involved in the logistical business, including (i) the operation of terminal and port and transshipment services, (ii) the leasing of retail filling stations for vehicles under the brand “Hans Energy” in the PRC. To diversify the business of the Company and to increase its source of revenue, the Company has been seeking various development opportunities to broaden its revenue base.

The investment in the Target Company pursuant to the 2020 Acquisition represented a strategic opportunity for the Group to diversify its business and broaden its revenue by participating in a vital public transportation service in Hong Kong, as the Company was optimistic about the prospects of the Target Group and the potential return on investment. In particular, the Group has increased its investment in the Target Group after approximately one year of its initial investment in 2020, as it was satisfied with the performance of the Target Group and was optimistic about its prospects. As at the date of this announcement, Glorify is the holder of 1,555.91 BTHL Shares, representing approximately 15.56% of the total issued BTHL Shares. A further increase in the stake of the Target Group pursuant to the Acquisition aligns with the diversification and expansion strategy of the Group.

The Target Group is principally engaged in the provision of public bus services under the brand “Citybus” in Hong Kong. It has over 40 years of proven track record in the public bus services industry in Hong Kong. Through the Acquisition, the Company will be capturing around 24.4% of the franchised bus operators’ market share (based on the total daily average passenger journeys carried out by all franchised bus operators in Hong Kong in 2022) in Hong Kong. As at the date of this announcement, the Target Group operated more than 200 bus routes across the Hong Kong Island, Kowloon and the New Territories with a sizable bus fleet of over 1,700 registered buses, and is the major franchised public bus operator with bus network coverage on the Hong Kong Island. It has strong bus engineering and technological development capabilities with an experienced management team with in-depth industry knowledge leading and overseeing

a workforce of over 5,000 employees. The Directors are of the view that, through the Acquisition whereby the Group will hold 70% of BTHL upon Completion, the Group can benefit greatly from the Target Group in terms of enhanced brand reputation, business scale and market share.

The respective businesses of the Target Group and the Group are within adjacent industries, with the Target Group being engaged in transportation business and the provision of franchised passenger bus services in Hong Kong, while the Group's principal business comprises a substantial logistics operation. Furthermore, the Company has participated and invested in the construction of the first hydrogen refuelling station in Hong Kong located in West Kowloon. The hydrogen refuelling station is currently operated by Citybus and provides hydrogen refuelling services for the operation of Hong Kong's first hydrogen bus owned by Citybus.

Having considered the above, the Directors believe that the Acquisition is in line with the development strategy of the Group and will facilitate the sustainable growth of the Group in the long run, and are of the view that the terms of the Acquisition Agreement, the New Shareholders Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders taken as a whole. Given that the Acquisition is subject to the various conditions precedent above mentioned (some of which are beyond the parties' control), as part of the commercial negotiations between the Vendors and Glorify, the Vendors required an act for good faith to assure them of Glorify's commitment to the Acquisition. As a result, the Vendors requested that the Strategic Purchase arrangements be put in place. Taking into account the Company's intention to increase its stake in BTHL, the Directors consider that the Strategic Purchase, should it occur, would also be in line with the overall development strategy of the Group, and the Strategic Purchase was agreed to by the Company after arm's length negotiations between the parties.

FINANCIAL IMPACT ON THE GROUP

Following Completion, BTHL will become a non-wholly owned subsidiary of the Company, and the financial results of BTHL will be consolidated into the consolidated financial statements of the Group. Furthermore, upon the full exercise of the Call Option and/or the Put Option, BTHL will become a wholly owned subsidiary of the Company.

Possible effect on earnings

For FY2023, the Group recorded loss attributable to the Shareholders of approximately HK\$35.1 million as set out in the 2023 Annual Report. Subject to the unaudited pro forma financial information of the Enlarged Group to be reported on by the reporting accountants and which would be included in the circular to be despatched to the Shareholders, assuming Completion had taken place on 1 January, 2023, it is expected that the loss of the Enlarged Group attributable to the Shareholders for FY2023 would

have been approximately HK\$509.8 million due to the loss of approximately HK\$73.6 million contributed by the Target Group and the adjustments of approximately HK\$401.1 million.

Possible effect on assets and liabilities

As set out in the 2023 Annual Report, as at 31 December, 2023, the Group had total assets, total liabilities and net assets of approximately HK\$1,957.0 million, HK\$723.9 million, and HK\$1,233.1 million respectively. Subject to the unaudited pro forma financial information of the Enlarged Group to be reported on by the reporting accountants and which would be included in the circular to be despatched to the Shareholders, if the Acquisition had been completed on 31 December, 2023, the total assets, total liabilities and net assets of the Enlarged Group are expected to be approximately HK\$10,019.0 million, HK\$8,806.9 million, and HK\$1,212.1 million respectively. The Group had net current assets of approximately HK\$376.2 million, while the Enlarged Group would have net current liabilities of approximately HK\$604.6 million as at 31 December, 2023, which is due to the Target Group's net current liabilities position of approximately HK\$230.3 million and the relevant adjustments of approximately HK\$750.5 million, among which, HK\$500 million is attributable to the portion of the Consideration to be paid before Completion and approximately HK\$242.3 million is attributable to the remaining portion of Consideration due on or before 31 December, 2024.

As stated in the section headed "Principal terms of the Acquisition Agreement" above, the Group intends to use its internal resources and bank borrowings to pay the Earnest Money and the Second Cash Payment, and use the Enlarged Group's internal resources and bank borrowings to fund the remaining portion of the Consideration, subject to the business and financial circumstances at any time prior to the payments are being made.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. In addition, the Listing Committee has resolved that the Acquisition is an extreme transaction under Rule 14.06C of the Listing Rules and the requirements for reverse takeovers in Chapter 14 of the Listing Rules do not apply. Accordingly, the Acquisition is subject to the reporting, announcement, circular, Shareholders' approval and accountants' report requirements as set out in Chapter 14 of the Listing Rules. The Company is required to prepare a transaction circular under an enhanced disclosure comparable to prospectus standard. Anglo Chinese has been appointed as the financial adviser to the Company in connection with the Acquisition and to perform due diligence on the Target Group.

In respect of the Strategic Purchase, should it occur, (i) on a standalone basis, all the applicable percentage ratios (as defined under the Listing Rules) exceed 5% (but are below 25%), and would constitute a discloseable transaction (but not an extreme

transaction or reverse takeover) of the Company under Chapter 14 of the Listing Rules, and (ii) when aggregated with the Previous Transactions, one or more of the applicable percentage ratios (as defined under the Listing Rules) exceed 25% (but are below 100%), and would constitute a major transaction (but not an extreme transaction or reverse takeover) of the Company on an aggregated basis under Chapter 14 of the Listing Rules. As the Company had complied with the major transaction requirements in respect of the Previous Transactions, the Strategic Purchase, should it occur, would not be required to be reclassified by aggregating it with the Previous Transactions. Should the Strategic Purchase take place, the Company will make announcement(s) as and when necessary in accordance with the applicable requirements of the Listing Rules.

As the exercise of the Call Option is at the discretion of the Purchaser, only its premium will be taken into account for the purpose of classification of notifiable transaction on the grant of the Call Option by TWB Holdings to the Purchaser. Given the Call Option will be granted at nil consideration, the applicable percentage ratios calculated in accordance with Rule 14.75(1) of the Listing Rules are less than 5% and, therefore on a standalone basis, the grant of the Call Option does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the exercise of the Put Option is not at the discretion of the Purchaser, the grant of the Put Option by the Purchaser to TWB Holdings will be classified as if the Put Option had been exercised under Rule 14.74(1) of the Listing Rules. For illustration purposes, assuming there is no other change to the total issued BTHL Shares from the date of Completion up to the end of the Put Option Period, if Glorify does not exercise the Call Option and the Put Option is fully exercised by TWB Holdings in respect of 30% of the total issued BTHL Shares at the end of the Put Option Period, the Put Consideration payable by the Purchaser will be HK\$1,875 million. Based on the foregoing, on a standalone basis, one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the grant of the Put Option exceeds 100%, and the grant of the Put Option constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules.

The Company (through the Purchaser) may decide to exercise the Call Option. As the exercise of the Call Option, and the grant and exercise of the Put Option are part of the arrangements relating to the Acquisition, they will be aggregated with the Acquisition for the purposes of Chapter 14 of the Listing Rules. The aggregate amount of the Consideration, the Deferred Payment Interest, the Additional Interest and the maximum Put Consideration payable (assuming Glorify does not exercise the Call Option and the Put Option is fully exercised by TWB Holdings in respect of 30% of the total issued BTHL Shares at the end of the Put Option Period) will be HK\$4,887,670,000. As the Acquisition constitutes an extreme transaction under Rule 14.06C of the Listing Rules, the exercise of the Call Option and the grant and exercise of the Put Option (when aggregated with the Acquisition) constitute an extreme transaction as aforesaid.

Thus, the Company will also seek Shareholders' approval in respect of the exercise of the Call Option and the Put Option at the EGM (in addition to seeking Shareholders' approval for the grant of the Put Option) under Rule 14.76(2) of the Listing Rules.

Accordingly, should the Acquisition be completed, any exercise of the Call Option or the Put Option (as the case may be) will not require any further approval from Shareholders, provided that further announcement in respect thereof will be made.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Acquisition and the transactions contemplated thereunder (including the Acquisition Agreement, the Strategic Purchase, the Specific Mandate, the New Shareholders' Agreement, the grant of the Call Option and the Put Option, and the exercise of the Call Option and the Put Option) and no Shareholders are required to abstain from voting at the EGM.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Acquisition Agreement, the New Shareholders' Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate. Pursuant to Rule 14.60(7) of the Listing Rules, a circular containing, among other things, (i) details of the Acquisition Agreement, the New Shareholders' Agreement and the transactions contemplated thereunder; (ii) information about the Target Group; (iii) financial information of the Group; (iv) the accountants' report of the Target Group; (v) the valuation report on the Target Company; (vi) the unaudited pro forma financial information of the Enlarged Group; (vii) other information as required under the Listing Rules in relation to enhanced disclosures; and (viii) the notice of the EGM shall be despatched to the Shareholders within 15 business days after publication of this announcement. As more time is required to prepare and finalise information to be included in the circular, the circular is currently expected to be despatched to the Shareholders on or before 24 June, 2024.

Completion of the Acquisition is conditional upon the fulfilment of the conditions set out under the paragraph headed "Conditions precedent" in this announcement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

DEFINITIONS

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

"ABL" or "Second Vendor"	Ascendal Bravo Limited, a company incorporated under the laws of Jersey with limited liability
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“Acquisition”	the acquisition of the Sale Shares by the Company, through its direct wholly-owned subsidiary, Glorify, from TWB Holdings and ABL
“Acquisition Agreement”	the acquisition agreement dated 24 May 2024 entered into between TWB Holdings and ABL (as vendors), Glorify (as purchaser) and the Company in relation to the Acquisition
“Additional Interest”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which is the financial adviser to the Company in relation to the Acquisition
“Ascendal Arrangements”	has the meaning ascribed to it in the section headed “Information on the Parties and Their Relationships with the Target Group — Information on ABL”
“Ascendal Group”	Ascendal Holdings Limited and its subsidiaries, including ABL and Ascendal Group Limited
“associates”	has the meaning ascribed thereto under the Listing Rules
“BMHL”	Bravo Media Holdings Limited, a BVI business company incorporated under the laws of the BVI with limited liability, a direct wholly-owned subsidiary of BTHL
“BML”	Bravo Media Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of BTHL
“Board”	the board of Directors
“BTHL” or “Target Company”	Bravo Transport Holdings Limited, a BVI business company incorporated under the laws of the BVI with limited liability
“BTHL Group” or “Target Group”	BTHL and each of its subsidiaries, and “BTHL Group Company(ies)”, “Target Group Company(ies)”, “member of the BTHL Group” and “member of the Target Group” shall be construed accordingly

“BTHL Share(s)”	ordinary share(s) of BTHL
“BTSL”	Bravo Transport Services Limited (formerly known as NWS Transport Services Limited), a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of BTHL
“BTSL Group”	BTSL and its subsidiaries
“BTSL Share(s)”	ordinary share(s) of BTSL
“Business Day(s)”	day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general commercial business
“BVI”	the British Virgin Islands
“Call Consideration”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Glorify’s call option and TWB Holdings’ put option”
“Call Option”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Glorify’s call option and TWB Holdings’ put option”
“Call Option Period”	the period commencing on the Completion Date up to and including the fifth anniversary of the Completion Date
“Call Price”	the price of HK\$500,000 per BTHL Share
“Citybus”	Citybus Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of BTSL
“Citybus (China)”	Citybus (China) Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of Citybus
“City Tours”	City Tours Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of Citybus

“CNCBI”	China CITIC Bank International Limited, a company incorporated under the laws of Hong Kong with limited liability
“Company”	Hans Energy Company Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition of all the Sale Shares pursuant to the Acquisition Agreement
“Completion Date”	the date of Completion, which shall take place on the date falling on the tenth (10th) Business Day after the satisfaction of condition (vi) (in respect of the passing of the requisite resolution to approve the Acquisition at the EGM), or such other date as Glorify and TWB Holdings (for itself and on behalf of ABL) may agree
“Consideration”	the total consideration of HK\$2,722,045,000 payable by the Purchaser for the Sale Shares under the Acquisition
“Consideration Shares”	the 278,915,965 new Shares to be allotted and issued by the Company to TWB Holdings in settlement to the extent of HK\$222,045,000 of the First Vendor Sale Shares Consideration, subject to obtaining of the Listing Approval
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“CP Material Adverse Change”	<p>(a) a revocation or suspension of any of the Franchises; or</p> <p>(b) any change, event, effect or circumstance that, individually or in the aggregate, would or could reasonably be expected to result in a reduction in the net profit of the Target Group of an amount of HK\$400,000,000 or more, provided that it shall exclude any impact in connection with the following:</p> <p>(i) an event carried out after the date of the Acquisition Agreement by or at the request, direction or instruction of or on behalf of the Purchaser;</p>

- (ii) a change in accounting principles pursuant to the adoption of the accounting standards mandatorily required according to applicable financial reporting standards and generally accepted accounting principles and practice in Hong Kong; and
- (iii) any accounting impact on the financial statements of the Target Group arising solely from the transaction contemplated under the Acquisition Agreement, provided that it will not trigger an event of default under the 2023 Facility Agreement.

“CTB (F1) Franchise”	the non-exclusive franchise for the Hong Kong Island and Cross-Harbour bus network with Citybus as grantee, as published in the Gazette as G.N. 7692 of 2015
“CTB (F2) Franchise”	the non-exclusive franchise for the Airport and North Lantau bus network with Citybus as grantee, as published in the Gazette as G.N. 3182 of 2012
“CTB (F2) 2023 Franchise”	the non-exclusive franchise for the Airport and North Lantau bus network with Citybus as grantee for a period of ten years commencing on 1 May, 2023, as published in the Gazette as G.N. 3898 of 2022
“Deferred Payment”	the deferred payment of HK\$2,000,000,000 as described in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Deferred Payment Interest”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Dietmar”	Dietmar Limited, a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of BTSL
“Director(s)”	director(s) of the Company
“Drag-along Right”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Restrictions on transfer and issue of BTHL Shares”

“Earnest Money”	an aggregate of HK\$175,000,000 paid by Glorify to the Vendors as earnest money upon signing of the Acquisition Agreement
“EGM”	the extraordinary general meeting of the Company to be convened by the Company to approve, among other things, the Acquisition Agreement, the New Shareholders’ Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate
“Electric Bus Procurement Framework Agreement”	the master framework agreement in relation to the procurement of battery-electric buses entered into between Citybus (as purchaser) and Wisdom (HK) (as supplier) on 11 October, 2023
“Enlarged Group”	the enlarged group immediately after the Completion
“Extreme Wise”	Extreme Wise Investments Ltd., a company incorporated under the laws of the BVI
“First Vendor Sale Shares”	the 5,390.32 BTHL Shares to be sold by TWB Holdings to Glorify under the Acquisition, representing approximately 53.90% of the total issued BTHL Shares
“First Vendor Sale Shares Consideration”	the consideration payable for the First Vendor Sale Shares, in the amount of HK\$2,695,160,000
“First Vendor Share Charge”	the share charge over 3,400 BTHL Shares (representing 34% of the total issued BTHL Shares) to be granted by Glorify in favour of TWB Holdings at Completion
“Franchises”	the Merged Franchise and the CTB (F2) 2023 Franchise, and each a “Franchise”
“Fundamental Warranties”	the Vendor Warranties that have been specified as fundamental warranties (including as to authorisation and title to the Sale Shares) in the Acquisition Agreement
“FY2021”	the financial year ended 31 December, 2021
“FY2022”	the financial year ended 31 December, 2022
“FY2023”	the financial year ended 31 December, 2023
“Gazette”	the gazette published by the Government

“Glorify” or “Purchaser”	Glorify Group Limited, a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Government”	the Government of Hong Kong
“Green Energy Buses”	vehicles powered by hydrogen or other green/renewal fuel sources
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning under the Listing Rules
“Instalment Payment 1”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Instalment Payment 2”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Instalment Payment 3”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Instalment Payment 4”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Instalment Payment 5”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Instalment Payment 6”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“Issue Price”	the issue price of HK\$0.7961 per Consideration Share
“Julius Baer”	Julius Baer Family Office & Trust Ltd.

“Listing Approval”	the granting of the approval for the listing of, and permission to deal in the Consideration Shares by the Listing Committee of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date which is six (6) months from the date of the Acquisition Agreement (or such other date as the Vendors and the Purchaser may agree in writing)
“Main Board”	the main board of the stock exchange operated by the Stock Exchange
“Merged Franchise”	the non-exclusive franchise for the Urban and New Territories bus network with Citybus as grantee for a period of ten years commencing on 1 July, 2023, being a merger of the CTB (F1) Franchise and NWFB Franchise, as published in the Gazette as G.N. 3896 of 2022
“Mr. An”	Mr. David An, the chairman, an executive Director and the Controlling Shareholder of the Company
“New Shareholders’ Agreement”	the new shareholders’ agreement to be entered into between Glorify and TWB Holdings in respect of BTHL at Completion
“New World First Holdings”	New World First Holdings Limited (formerly known as Supreme Sterling Limited), a company incorporated under the laws of the BVI with limited liability
“NWFB”	New World First Bus Services Limited, a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of BTSL
“NWFB Franchise”	the non-exclusive franchise with NWFB as grantee, as published in the Gazette as G.N. 3180 of 2012
“NWS Holdings”	NWS Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 659.HK)

“NWS Service”	NWS Service Management Limited, a company incorporated under the laws of the BVI with limited liability, an indirect wholly-owned subsidiary of NWS Holdings
“Original Instalment Payment Date”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Consideration — Deferred Payment”
“ORSO schemes”	the Occupational Retirement Schemes under Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong)
“PBSO”	the Public Bus Services Ordinance (Chapter 230 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, does not include Taiwan, the Macau Special Administrative Region and Hong Kong
“Previous Transactions”	the subscription of BTHL Shares by Glorify pursuant to the 2020 BTHL Share Subscription Agreement and purchase of BTHL Shares under the 2021 Acquisition
“Price”	has the meaning ascribed to it in the section headed “Information on the Parties and Their Relationships with the Target Group — Information on TWB Holdings and Templewater — Cooperation between the Target Group and Templewater — Master Framework Agreement for Battery-electric Buses”
“Purchaser Warranties”	the representations, warranties and undertakings given by the Purchaser and the Company contained or referred to in the Acquisition Agreement
“Put Consideration”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Glorify’s call option and TWB Holdings’ put option”
“Put Option”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Glorify’s call option and TWB Holdings’ put option”

“Put Option Period”	the period of two (2) years following the end of the Call Option Period
“Put Option Shares”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Glorify’s call option and TWB Holdings’ put option”
“Put Price”	the price of HK\$500,000 per BTHL Share
“Sale Shares”	collectively, the First Vendor Sale Shares and the Second Vendor Sale Shares
“Second Cash Payment”	an aggregate of HK\$325,000,000 payable by Glorify to the Vendors pursuant to the Acquisition Agreement
“Second Vendor Sale Shares”	the 53.77 BTHL Shares to be sold by ABL to Glorify under the Acquisition, representing 0.5377% of the total issued BTHL Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate proposed to be granted to the Directors pursuant to an ordinary resolution to be passed at the EGM to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Purchase”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — Strategic Purchase and refund of Earnest Money and Second Cash Payment”
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tag-along Right”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Restrictions on transfer and issue of BTHL Shares”

“Templewater” or “Templewater group”	the Templewater group of companies, partnerships and entities
“Templewater HK”	Templewater Hong Kong Limited, a company incorporated under the laws of Hong Kong with limited liability
“Trading Record Period”	the period from 1 January, 2021 to 31 December, 2023
“Transport Department”	the Transport Department of the Government
“TW Advisory Agreement”	has the meaning ascribed to it in the section headed “Information on the Parties and Their Relationships with the Target Group — Information on TWB Holdings and Templewater — Cooperation between the Target Group and Templewater — Hydrogen Advisory and Consultancy Agreement”
“TWB Holdings” or “First Vendor”	Templewater Bravo Holdings Limited, a company incorporated under the laws of the BVI with limited liability
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US\$”	United States dollars
“Vand Petro-Chemicals”	Vand Petro-Chemicals (BVI) Company Ltd., a company incorporated under the laws of the BVI
“Vehicle(s)”	has the meaning ascribed to it in the section headed “Information on the Parties and Their Relationships with the Target Group — Information on TWB Holdings and Templewater — Cooperation between the Target Group and Templewater — Master Framework Agreement for Battery-electric Buses”
“Vendor Warranties”	the representations, warranties and undertakings (including the Fundamental Warranties) given by the Vendors contained or referred to in the Acquisition Agreement
“Vendors” and each a “Vendor”	ABL and TWB Holdings
“Wisdom”	Wisdom (Fujian) Motor Company Limited, a vehicle manufacturer headquartered in Fujian, China

“Wisdom (HK)”	Wisdom Sales (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability
“1st Tranche Put Shares”	has the meaning ascribed to it in the section headed “The Acquisition — Principal Terms of the Acquisition Agreement — The New Shareholders’ Agreement — Glorify’s call option and TWB Holdings’ put option”
“2020 Acquisition”	the acquisition of 500,000,016 BTSL Shares, comprising the total issued BTSL Shares (previously known as NWS Transport Services Limited), by BTHL from NWS Service pursuant to the terms of the 2020 Acquisition Agreement, which was completed on 15 October, 2020
“2020 Acquisition Agreement”	the agreement dated 21 August, 2020 entered into between BTHL and NWS Service in respect of the 2020 Acquisition
“2020 BTHL Share Subscription Agreement”	the agreement dated 21 August, 2020 entered into between TWB Holdings, Glorify and ABL to subscribe for new shares in BTHL, upon the completion of which the 2020 Share Subscription Group held all the issued BTHL Shares
“2020 NWS Share Charge”	a share charge, in respect of a total of 51% of the total issued BTHL Shares, granted by TWB Holdings to NWS Service in connection with the 2020 Acquisition
“2020 Share Subscription Group”	the group, consisting of TWB Holdings, Glorify and ABL, which, pursuant to the 2020 BTHL Share Subscription Agreement, subscribed for new BTHL Shares, upon the completion of which the foregoing parties held all the issued BTHL Shares
“2021 Acquisition”	the acquisition of a total of 700 BTHL Shares (comprising 695 BTHL Shares from TWB Holdings and 5 BTHL Shares from ABL, and together representing 7% of the total issued BTHL Shares) by Glorify, pursuant to the terms of the 2021 Acquisition Agreement
“2021 Acquisition Agreement”	the agreement dated 3 December, 2021 entered into between Glorify, TWB Holdings and ABL in respect of the 2021 Acquisition

“2021 Tender”	has the meaning ascribed to it in the section headed “Information on the Parties and Their Relationships with the Target Group — Information on TWB Holdings and Templewater — Cooperation between the Target Group and Templewater — Master Framework Agreement for Battery-electric Buses”
“2023 Annual Report”	the 2023 annual report of the Company published on 27 March, 2024
“2023 Facility Agreement”	the facility agreement dated 7 December, 2023, entered into by, among others, BTSL (as borrower) and CNCBI (as mandated lead arranger and book runner, lender, facility agent and security agent) in respect of a term loan facility of up to HK\$1,300 million, and a revolving loan facility of up to HK\$500 million
“2024 NWS Share Charge”	the share mortgage over a total of 51% of the total issued BTHL Shares to be granted by Glorify (in respect of 36% of the total issued BTHL Shares) and TWB Holdings (in respect of 15% of the total issued BTHL Shares) in favour of NWS Service upon Completion, as a replacement for the 2020 NWS Share Charge
“%”	per cent

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments and, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

By order of the Board
Hans Energy Company Limited
漢思能源有限公司
Yang Dong

Chief Executive Officer and Executive Director

Hong Kong, 24 May, 2024

As at the date of this announcement, the Board comprises three executive directors, namely Mr. David An (Chairman), Mr. Yang Dong and Mr. Zhang Lei and three independent non-executive directors, namely Mr. Li Wai Keung, Mr. Chan Chun Wai, Tony and Mr. Chung Chak Man, William.

APPENDIX I — REPORT FROM KPMG



REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF BRAVO TRANSPORT HOLDINGS LIMITED

TO THE BOARD OF DIRECTORS OF HANS ENERGY COMPANY LIMITED

We refer to the discounted future cash flows on which the business valuation (“**the Valuation**”) dated 21 May, 2024 prepared by Kroll (HK) Limited in respect of the appraisal of the fair value of Bravo Transport Holdings Limited and its subsidiaries (“**the Target Group**”) as at 31 December, 2023 is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The directors of Hans Energy Company Limited (the “**Directors**”) are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph Rule 14.60A(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Group or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph Rule 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
24 May, 2024

APPENDIX II — LETTER FROM ANGLO CHINESE

ANGLO CHINESE
CORPORATE FINANCE, LIMITED
www.anglochinese.com

財務顧問有限公司
英高

The Board of Directors
Hans Energy Company Limited
Unit 2608, 26th Floor
Harbour Centre
25 Harbour Road
Wan Chai, Hong Kong

24 May, 2024

Dear Sirs,

We refer to the announcement of the Company dated 24 May, 2024 (the “**Announcement**”) in relation to the proposed acquisition of 54.44% equity interest in Bravo Transport Holdings Limited by Glory Group Limited, a direct wholly-owned subsidiary of Hans Energy Company Limited, from Templewater Bravo Holdings Limited and Ascendal Bravo Limited, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

As disclosed in the Announcement, the Consideration was determined with reference to the market value (the “**Valuation**”) of 100% equity interest in the Target Company as at 31 December, 2023 appraised by Kroll (HK) Limited (the “**Independent Valuer**”), details of which are contained in the valuation report dated 21 May, 2024 prepared by the Independent Valuer (the “**Valuation Report**”). We understand that the Valuation Report and certain other documents related to the Acquisition have been provided to you as the Directors in connection with your consideration of the Acquisition.

According to the Valuation Report, the Valuation has been arrived at using the income approach based on discounted cash flows. As such, the Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

For the purpose of preparing this letter, we have reviewed the forecast of future cash flows of the Target Company (the “**Forecast**”) underlying the Valuation, for which you as the Directors are solely responsible, and have discussed with the management of the Company and the Independent Valuer on the bases and assumptions upon which the Forecast has been prepared. We have also considered the letter from KPMG, the Company’s reporting accountants (the “**Reporting Accountants**”), dated 24 May, 2024

addressed to you containing its opinion, based on its engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants, on the arithmetical calculations and the compilations of the discounted future cash flows, details of which are set out in Appendix I to the Announcement.

We have not independently verified the computations leading to the determination of the Valuation by the Independent Valuer. The assessment, review and discussions carried out by us as described in this letter are based on financial, economic, market and other conditions in effect, and the information made available to us as of the date of this letter and we have, in arriving at our views, relied on information and materials provided to us by the Company, the Independent Valuer and the Reporting Accountants and opinions expressed by, and representations of, the employees and/or management of the Company, the Independent Valuer and the Reporting Accountants. We have assumed, without independent verification, that all the information, materials and representations so provided, including all the information, materials and representations referred to or contained in the Announcement, for which you as the Directors are wholly responsible, were true, accurate, complete and not misleading in all material respects at the time they were provided or made and continued to be so up to the date of this letter, and that no material facts have been withheld or omitted from the information, materials and representations provided. No representation or warranty, expressed or implied, is made by us on the truth, accuracy or completeness of such information, materials, opinions and/or representations referred to or contained in the Announcement, and we have not assumed any responsibility or liability therefor. Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our assessment and review.

It should be noted that the Forecast has been prepared using a set of assumptions which include hypothetical assumptions about future events that may or may not occur and therefore the Forecast may not be appropriate for purposes other than for deriving the Valuation. Even if the events anticipated under the hypothetical assumptions occur, actual financial performance may still differ from the Forecast since such anticipated events frequently may or may not occur as expected and the variation could be material.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions adopted in the Valuation, for which the Independent Valuer and the Company are responsible, we are of the opinion that the Forecast, for which you as the Directors are solely responsible, has been made by you after due and careful enquiry. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 14.60A(3) of the Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work or this letter.

Yours faithfully,
For and on behalf of
Anglo Chinese Corporate Finance, Limited
Stephen Clark
Managing Director