

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



PERFECTECH INTERNATIONAL HOLDINGS LIMITED

威發國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00765)

GENERAL DISCLOSURE UNDER RULE 13.09(2) OF THE LISTING RULES BOINC STRATEGIC COOPERATION AGREEMENT AND CHAINUP STRATEGIC COOPERATION AGREEMENT

This announcement was published by Perfectech International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) in accordance with Rule 13.09(2) under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) as well as Chapter 571 of the Laws of Hong Kong and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, so as to provide shareholders and prospective investors of the Company with the updates on the latest business development of the Group.

The board of directors (the “**Directors**”) of the Company (the “**Board of Directors**”) is pleased to announce the following matters:

- (i) the Company entered into a strategic cooperation agreement with California Super Computing Network Technology, Inc. (“**CSCNT Inc.**”) and Affluence Energy Holding SARL (“**AEH**”) on 18 March 2021 (after trading hours) (“**BOINC Strategic Cooperation Agreement**”); and
- (ii) the Company entered into a strategic cooperation agreement with CHAINUP PTE. LTD. (“**Chainup**”) and Sozak Oil and Gas JSC (“**Sozak**”) on 18 March 2021 (after trading hours) (“**Chainup Strategic Cooperation Agreement**”).

BOINC STRATEGIC COOPERATION AGREEMENT

The major terms of the BOINC Strategic Cooperation Agreement are set out below:

- Date: 18 March 2021
- Parties:
- (1) the Company;
 - (2) CSCNT Inc.; and
 - (3) AEH

CSCNT Inc. is a limited company established in the United States of America. Its principal business is the business development of the global industrial chain for cryptocurrencies. It is the global exclusive business cooperation operation platform of Berkeley Open Infrastructure for Network Computing (“**BOINC**”) and promotes commercialization of the cryptocurrency.

CSCNT Inc., its controlling shareholders and senior management team have ferocious experiences in cryptocurrencies industry globally and have accumulated business opportunities accordingly, and they have previously participated in the investment and incubation of a large number of outstanding market participants in the industry.

BOINC’s computing power is equivalent to the world’s fifth-ranking supercomputer, and has provided computing power to more than one hundred world-leading scientific research projects across the fields of mathematics, astronomy, biology, artificial intelligence, life science, arts, digital currency, etc. around the world. It has over 4 million computing power providers and is currently providing computing power from 600,000 active terminals on a daily basis. As progressively boosted by Lei Jun, founder and director of Xiaomi Group, Xiaomi Mi 11 mobile has recently become BOINC’s officially certified mobile computing terminal. Moreover, various electric vehicles and smart home electrical appliances are also to become BOINC’s mobile computing terminals. BOINC’s science coin, one of the commercialization projects of CSCNT Inc., is scheduled to launch a public offering on a global cryptocurrency exchange, based on enormous computing power credits accumulated over the past 20 years; Cryptocurrency of BOINC will accelerate business developments between the overall industrial network related to BOINC and various institutions worldwide. The strategic goal of CSCNT Inc. is to develop BOINC cryptocurrencies into the world’s largest consensus digital currency based on over hundreds of millions of computing power terminal users globally.

AEH is a limited company established in Luxembourg. It is the controlling shareholder of Норт Каспиан Петролеум) (“**HKP**”), which holds 100% interest of Балыкши Oilfield (“**Oilfield**”) in Kazakhstan. The Oilfield is located in the Pre-Caspian Basin, one of the world’s most oil- and gas-rich areas. It is only 55 kilometres away from the world’s largest oilfield — Kashagan, and is located less than 100 kilometres in the northwest of the world’s sixth largest oilfield — Tengiz. The Oilfield, Kashagan and Tengiz are all

located above the “Astrakhan-Aqtobe Gigantic Upwarping Zone”. Based on the estimates in the report of Compagnie Générale de Géophysique (“CGG”), the P50 resources of the Oilfield is approximately 2.45 billion barrels of crude oil, which is a world-class oilfield project. However, since the Oilfield is subsalt deep hydrocarbon reservoirs, it is difficult to determine the specific implementation plan related to geological exploration and test well drillings using conventional petroleum technology.

To the best of the Directors’ knowledge, information and belief after making all reasonable enquiries, CSCNT Inc. AEH and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

According to the BOINC Strategic Cooperation Agreement, by relying on AEH’s enormous advantages in energy reserves and with the help of the revolutionary technology to carry out energy and natural resources projects, the Company is accelerating the process of entering into the cryptocurrencies field and to seize the history-making opportunities in order to achieve potential huge profits. The Company will also utilize and integrate the strong computing power platform and resourceful business opportunities with CSCNT Inc. and BOINC, aiming to become a leading player in the global blockchain technologies and cryptocurrencies and a value chain integrator with global influence, and the Company is planning to enter into full-eco industry chain including cryptocurrency computing, mining pools, custody, trading, token issuance and investment management.

To achieve this strategic goal:

- (i) the parties to the BOINC Strategic Cooperation Agreement will develop world-class oilfields as well as issue worldwide petro coin, via super computing power. AEH will appoint the Company as a technical business advisor. The Company will bring new technologies and capital into AEH: re-interpret exploration data by means of high-performance computing (HPC) solutions to accurately predict the specific location of the oil reservoir; and launch security token offering for HKP to provide financing for the drilling, exploration and development at the Oilfield;
- (ii) The Company will cooperate with CSCNT Inc., partners in the blockchain and cryptocurrency industry and professional investors in establishing a blockchain technology ecosystem company (“**Joint Venture**”), which will focus on the development of a full-eco industry value chain business in the field of blockchain and cryptocurrency. In particular, the Company will hold 25% of the shares of the Joint Venture and will be the single largest shareholder of the Joint Venture, while CSCNT Inc. will provide the Joint Venture with full-chain services related to the blockchain and cryptocurrency sectors.

The Joint Venture will become the exclusive technical service provider for the exploration of Oilfield and provide AEH with high-performance computing solution and other full-chain consulting technical services. Moreover, the Company will also appoint the Joint Venture as a strategic partner for the launch of security token offering for HKP, so as to provide financing for the drilling, exploration and development of the Oilfield, subject to legal and regulatory requirements. The Joint Venture will act as one of the nodes for BOINC's science coin, and the Company will indirectly enter into cryptocurrencies sector through the Joint Venture;

- (iii) AEH undertakes that it will pay 20% of the crude oil reserves and net production to the Company in Bitcoin, provided that the details of the cooperation are successfully realized and the Oilfield carries out commercial production, pursuant to which the Company will provide the Joint Venture with cryptocurrency as incentives accordingly;
- (iv) AEH plans to, with the assistance of the Company and CSCNT Inc., gradually accept Bitcoin as a payment currency for the sale of commercial petroleum products, so as to gradually converting the enormous crude oil reserves into Bitcoin digital reserves. AEH will have the Bitcoin received from the commercial crude oil sales transactions placed in the custody of the Company, to invest in the field of blockchain and cryptocurrencies; and
- (v) based on the existing successful cooperation with the Kazakhstan government, with reference to the cooperation model with AEH, the Company is planning to gradually integrate the deep hydrocarbon exploration projects in the Pre-Caspian Basin, and push the digital revolution in energy resources sector.

Chainup Strategic Cooperation Agreement

The major terms of the Chainup Strategic Cooperation Agreement are set out below:

- Date: 18 March 2021
- Parties: (1) the Company;
(2) Chainup; and
(3) Sozak

Chainup is a limited company established in Singapore. Its main business is to provide blockchain technology services. It has provided blockchain technology services to more than 600 customers around the world under its brand ChainUP, including digital asset trading systems, cryptocurrencies wallet, cloud computing power, mining pools, corporate chainplus, etc. Sozak is a joint-stock company established in Kazakhstan and a listed company on the Astana International Exchange, holding the 100% interest in

the Sozak Natural Gas Project (“**Sozak Project**”), Sozak Project has a scheduled natural gas annual production of 6 billion cubic metres, equivalent to a converted electric generating capacity of over 3 million kWh.

To the best of the Directors’ knowledge, information and belief after making all reasonable enquiries, Chainup, Sozak and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

According to the Chainup Strategic Cooperation Agreement, by relying on Sozak’s enormous advantages in energy reserves and with the help of the revolutionary technology, the Company will carry out energy and natural resources projects. The Company will integrate and utilizes Chainup’s extensive resources network in the blockchain financial field to become a resources value chain integrator with substantial influence in the field of blockchain technology and cryptocurrency.

To achieve this strategic goal:

- (i) the Company will cooperate with Chainup and Sozak in Kazakhstan to submit the application for establishing a cryptocurrency exchange for global users. The Company will become the exclusive technical service general contractor for the exchange and further to appoint Chainup as the exchange’s business consultant. The Company has priority in purchasing the consulting and technical services from Chainup, including but not limited to fundamental system procurement, customized function development, trading system operation and maintenance, to make sure the exchange operates successfully. The relevant exchange will be established under the consortium led by the shareholder of Sozak, and learn from the successful experience of Coinbase Global Inc., to operate compliantly and adopt steady growth strategy, to pursue a capital market listing as final goal. Its vision is to become one of the major trading platforms of cryptocurrencies. Subject to approval under the regulatory rules of the Stock Exchange, Securities and Futures Commission and other relevant regulatory authorities, the Company will have the priority to be injected the controlling right of the relevant exchange;
- (ii) the Company will set up a cryptocurrency mining farm with the parties to the Chainup Strategic Cooperation Agreement to carry out mining activities. The Company will act as the blockchain business advisor for Sozak and bring blockchain-related business opportunities for Sozak, while Sozak will provide the Company with low-cost power generation energy with its natural gas reserves, and the Company will distribute the energy to the mining farm at the power generation cost, and the electricity bill accounts will be settled in Bitcoin;

- (iii) The Company will also assist Sozak to gradually digitize its natural gas reserves into Bitcoin reserves, while Sozak will transfer the Bitcoin received from the sale of commercial natural gas products to the Company for custody and allow the Company to invest in the blockchain and cryptocurrency fields to obtain more benefits; and
- (iv) the parties to the Chainup Strategic Cooperation Agreement will look into the possibility to initiate the creation of cryptocurrencies financial products such as Bitcoin Trust with OTC Markets Group, Inc. (OTCQX) and other capital markets.

Since entering into the oil and gas industry in early 2019, the Company has established good business relations with oil and gas exploration and production companies, investors, trading companies, financial institutions and other market participants around the world.

As blockchain technology and the cryptocurrencies industry have been evolving rapidly in recent years, the Company has identified the opportunities arising from the integration of the digitalization of energy reserves, i.e. building a bridge for market participants between the conventional petroleum energy sector and the revolutionary technology sector, to share resources and complement advantages for all parties. By creating value for partners, the Company can obtain commercial benefits.

By entering into the BOINC Strategic Cooperation Agreement and the Chainup Strategic Cooperation Agreement, the Company will become involved in the blockchain and cryptocurrency business. As the business partner of conventional energy companies, the Company helps them integrate new technologies, business opportunities and access to capital; the Company in the process brings pioneer participants of blockchain/cryptocurrencies as well, and through the platform of super computing power, and the proposed cryptocurrency exchange, to make possible the transformation of traditional resources of natural resources project into digitization.

Within the cooperation framework of the BOINC Strategic Cooperation Agreement, AEH plans to gradually accept Bitcoin as a consideration of payments, thereby accelerating the transformation of its crude oil energy into cryptocurrencies. The Oilfield held by AEH has P50 resources of approximately 2.45 billion barrels crude oil. Based on the current value of approximately 1 Bitcoin per 1,000 barrels of oil, given the situation of the of resources being fully realized, it is equivalent to the value of 2.45 million Bitcoins, i.e. more than 10% of the total amount of Bitcoins, this has given the huge potential of energy digitization. Moreover, the Joint Venture established by the Company, CSCNT Inc. and etc, CSCNT Inc. will act as one of the global nodes for BOINC's science coin, which is planning to fully integrate the world-class resources of more than 4 million BOINC's computing power providers. In the era of the Internet of Everything, every mobile phone, every electric vehicle, every refrigerator and every smart home would become a computing power terminal. As more and more smart homes

electrical appliances, like Xiaomi Mi 11 mobile, become BOINC's officially certified computing terminals, the number of BOINC's ultimate computing power end users is expected to reach billions.

Within the cooperation framework of the Chainup Strategic Cooperation Agreement, Sozak will provide the Company with low-cost natural gas energy for power generation. The operational goal of the Sozak Project crypto mining farm is to integrate 20% of the computing power of global cryptocurrencies within 12 months. Moreover, according to the report of PetroChina's subsidiary exploration institute, the "proven + probable" recoverable reserves under volume method of the Sozak Project exceed 600 billion cubic metres. In this regard, the long-term goal of Sozak Project crypto mining farm is aiming to accept 50% of the global computing power. Considering that Kazakhstan is the fourth largest crypto mining farm destination country, and also considering the background of the energy consumption restriction policy imposed in China including Inner Mongolia which is targeting to clean up crypto mining rigs lately, Sozak Project crypto mining farm plans to actively accept mining rigs from various parts of China, so as to complement China's rich mining rigs resources and transform Kazakhstan's energy advantages into digital currency advantages.

The Board of Directors believes that the entry into the BOINC Strategic Cooperation Agreement and the Chainup Strategic Cooperation Agreement will be conducive to facilitating the Group to commence the business in the field of blockchain and cryptocurrency. The parties involved will jointly boost the development of the blockchain technology and the industry with their respective capital, platform and resources advantages. The Company's strategic goal is to become a global cryptocurrencies leader with substantial influence in the field of blockchain technology and cryptocurrency and to enter into the full-eco industry chain possible for cryptocurrencies computing, mining farms, mining pools, custody, trading, token issuance and investment management.

While vigorously pushing forward with the business in the field of blockchain and cryptocurrencies, the Company will continue to look for more quality mergers and acquisitions and integration opportunities in the field of oil and gas exploration and production, and build itself into a resources integration company with energy as its core advantage.

The Board of Directors would like to stress that as at the date of this Announcement, the Company and the parties to the BOINC Strategic Cooperation Agreement and the Chainup Strategic Cooperation Agreement have not yet conducted any transactions. Any possible cooperation contemplated under the BOINC Strategic Cooperation Agreement and the Chainup Strategic Cooperation Agreement can be carried out only after the Company enters into a final agreement with the parties involved. Since the cooperation may not necessarily proceed, shareholders and prospective investors of the Company are advised to exercise caution when trading in the Company's shares.

The Company will make further announcements regarding the project development under the BOINC Strategic Cooperation Agreement and the Chainup Strategic Cooperation Agreement in compliance with the Listing Rules where appropriate.

By order of the Board
Perfectech International Holdings Limited
Li Shaohua
Executive Director

Hong Kong, 18 March 2021

As at the date of this announcement, the Board is composed of Mr. Poon Wai Yip, Albert and Mr. Li Shaohua as executive Directors and Mr. Lau Shu Yan, Mr. Xie Xiaohong and Mr. Geng Jianhua as independent non-executive Directors.

** for identification purpose only*