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## PERFECTECH INTERNATIONAL HOLDINGS LIMITED

威發國際集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00765)

### INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITIONS

This announcement is made by Perfectech International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### MEMORANDUM OF UNDERSTANDING

The Board of the Company is pleased to announce that on 25 April 2019 (after trading hours), the Company entered into a memorandum of understanding respectively with each of SSEI (“**First MOU**”) and SSIQG (“**Second MOU**”). Pursuant to the First MOU, the Company, or through its affiliate, intends to acquire, and SSEI intends to procure its subsidiary to sell 100% equity interest in the First Target Company (“**First Possible Acquisition**”); and pursuant to the Second MOU, the Company, or through its affiliate, intends to through subscription of new shares or acquisition of the existing shares to acquire interests in, and SSIQG intends to procure the issuance of new shares or dispose of its existing shares in SSIQG’s wholly-owned subsidiary which directly holds the interests in the Second Target Company, so that the Company’s interests in Second Target Company will give it sufficient influence in decisions over the exploration and/or production activities of Second Target Company (“**Second Possible Acquisition**”) (the First Possible Acquisition and the Second Possible Acquisition are collectively referred to as the “**Possible Acquisitions**”).

\* For identification purpose only

## **GENERAL**

The Board wishes to emphasise that the Possible Acquisitions are subject to, among other things, due diligence and the execution of legally binding definitive agreements, the terms and conditions of which are yet to be negotiated and agreed upon. The Possible Acquisitions, if materialised, may constitute a very substantial acquisition for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

**Shareholders and potential investors of the Company should note that the MOUs are not legally binding, the Possible Acquisitions may or may not proceed or materialise and the final structure and terms of the Possible Acquisitions, which are still subject to further negotiations among the parties, have yet to be finalised. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company.**

This announcement is made by Perfectech International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The principal terms of the MOUs are summarised as follows:

### **THE FIRST MOU**

#### **Date**

25 April 2019 (after trading hours)

#### **Parties**

- (1) Company; and
- (2) SSEI

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, SSEI and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

Under the First MOU, it is proposed that the Company will acquire, and SSEI will procure its subsidiary to sell 100% equity interest in the First Target Company. The First Target Company is principally engaged in oil exploration and production. The major assets owned by the First Target Company include two oil fields in production located in Kazakhstan.

### **Consideration**

Pursuant to the First MOU, the consideration shall be subject to further negotiation and will be determined with reference to the valuation to be conducted by independent valuers.

## **THE SECOND MOU**

### **Date**

25 April 2019 (after trading hours)

### **Parties**

- (1) Company; and
- (2) SSIQG

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SSIQG and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

Under the Second MOU, it is proposed that the Company, or through its affiliate, intends to through subscription of new shares or acquisition of the existing shares to acquire interests in, and SSIQG intends to procure the issuance of new shares or dispose of its existing shares in SSIQG's wholly-owned subsidiary which directly holds the interests in the Second Target Company, so that the Company's interests in Second Target Company will give it sufficient influence in decisions over the exploration and/or production activities of Second Target Company.

The Second Target Company is a limited liability partnership incorporated under the laws of Kazakhstan. It is principally engaged in oil and gas exploration activities in the Kyzylorda region and the southern region of Kazakhstan.

## **Consideration**

Pursuant to the Second MOU, the consideration shall be subject to further negotiation and will be determined with reference to the valuation to be conducted by independent valuers.

## **INFORMATION OF SSEI**

SSEI a company incorporated under the laws of Hong Kong with company number 1972674. SSEI is principally engaged in investment.

## **INFORMATION OF SSIQG**

SSIQG is a company incorporated under the laws of Hong Kong with company number 1767953. SSIQG is principally engaged in investment.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITIONS**

As mentioned in the annual report of the Company for the year ended 31 December 2018, it is the intention of the Group to actively identify good merger and acquisition opportunities in order to acquire new business or assets that will bring additional value and new income streams to the Group. Leveraging on the extensive experience in the areas of oil and natural gas industry, corporate management, and merger and acquisition of Mr. Li Shaohua, our executive Director and chief executive officer, the Board considers that the Possible Acquisitions present valuable investment opportunities to broaden the income base of the Group and thus enhance its corporate development. The Board (including the independent non-executive Directors) believe that the Possible Acquisitions are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The Board wishes to emphasise that the Possible Acquisitions are subject to, among other things, due diligence and the execution of legally binding definitive agreements, the terms and conditions of which are yet to be negotiated and agreed upon. The Possible Acquisitions, if materialised, may constitute a very substantial acquisition for the Company under the Listing Rules. Further announcement(s) will be made by the Company, as and when appropriate, in compliance with the Listing Rules.

**Shareholders and potential investors of the Company should note that the MOUs are not legally binding, the Possible Acquisitions may or may not proceed or materialise and the final structure and terms of the Possible Acquisitions, which are still subject to further negotiations among the parties, have yet to be finalised. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company.**

## DEFINITIONS

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

“Board”	the board of the Directors
“Company”	Perfectech International Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock code: 765)
“Directors”	directors of the Company
“First Target Company”	Kozhan JSC, a joint stock company listed on the Kazakhstan Stock Exchange (Stock code: KOZN), the 95% equity interest of which is indirectly held by SSEI
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules
“Kazakhstan”	Republic of Kazakhstan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or as otherwise modified from time to time
“MOUs”	collectively, the First MOU and the Second MOU
“Parties”	the Company, SSIIG and SSEI
“Second Target Company”	Sozak Oil and Gas LLP, a limited liability partnership incorporated under the laws of Kazakhstan, the 90% interests of which is indirectly held by SSIIG
“SSEI”	Hong Kong Sino-Science Energy Investment Company Limited, a company incorporated under the laws of Hong Kong with company number 1972674
“SSIIG”	Hong Kong Sino-Science International Oil & Gas Investment Group Company Limited, a company incorporated under the laws of Hong Kong with company number 1767953

“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Perfectech International Holdings Limited**  
**Gao Xiaorui**  
*Chairman*

Hong Kong, 25 April 2019

*As at the date of this announcement, the Board is composed of Mr. Li Shaohua and Mr. Poon Wai Yip, Albert as executive Directors, Mr. Gao Xiaorui as non-executive Director and Mr. Lam Tak Leung, Mr. Lau Shu Yan and Mr. Xie Xiaohong as independent non-executive Directors.*

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