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LONGHUI INTERNATIONAL HOLDINGS LIMITED

龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING — STRATEGIC COOPERATION

This announcement is made by Longhui International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders and potential investors of the Company the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 5 June 2024 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Greifenberg Digital Limited (the “**Potential Partner**”), in relation to the potential cooperation for the development of an artificial intelligence (“**AI**”) credit risk management system (the “**System**”) tailored for the food and beverage industry which include functions such as enterprise credit data collection, credit risk analysis, credit rating, overdue payment alert and fraud and risk detection and alert (the “**Proposed Cooperation**”).

The Company and the Potential Partner are currently in the process of discussing possible ways of cooperation. The Company and the Potential Partner aim to collaborate on data-analysis by integration of AI-based technologies with the Group’s hotpot restaurant business in the PRC. Under the Proposed Cooperation, the Company shall work with the Potential Partner to create, implement, monitor and evaluate annual work plans (the “**Work Plans**”) that identify specific objectives and activities of interest to both parties in the People’s Republic of China (the “**PRC**”), particularly in the region of Hong Kong Special Administrative Region of the PRC, and shall share its expertise in the food and beverage industry to the Potential Partner for the development of the System. The Potential Partner shall develop the System that can cater to the needs and implementation of the Work Plans.

FORMAL AGREEMENT

Each of the parties to the MOU agrees to use all reasonable endeavours to negotiate the terms and conditions of a legally binding cooperation agreement between the relevant parties in relation to the Proposed Cooperation (the “**Formal Agreement**”).

TERMINATION

The MOU shall terminate on the earlier of (i) 120 days from the date of the MOU (or such later date as maybe agreed between the Parties in writing); or (ii) the date of execution of the Formal Agreement.

BACKGROUND OF THE POTENTIAL PARTNER

The Potential Partner is a financial technology (fintech) company incorporated in Canada. It provides a fintech platform that applies artificial intelligence, machine learning and natural language processing to evaluate the risk/reward characteristics of corporate bonds.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Potential Partner and its ultimate beneficial owner(s) are independent third party(ies) and are not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Directors have been actively exploring suitable business opportunities through cooperation with local and overseas enterprises, seeking to broaden its sources of income by expanding its current business portfolio and engaging in new business operations with growth potential. In particular, in view of the global trend of the use of AI technology to improve work efficiency, the Directors believe that the Proposed Cooperation will enable the Group to streamline its work process and maximise its profit.

The Directors are of the view that the Proposed Cooperation, if materialised, represents an opportunity for the Group to broaden its sources of income and is in the interests of the Company and the Shareholders as a whole.

NATURE OF THE MOU

The MOU does not constitute any legally binding commitment in respect of the possible business cooperation, save and except that each party agrees to be legally bound by certain clauses including confidentiality and the governing law and jurisdiction. The possible business cooperation between the Group and the Potential Partner will only be finalised after the conclusion of negotiation and execution of the Formal Agreement between the relevant parties.

GENERAL

The Board wishes to emphasise that the Proposed Cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and Executive Director

Hong Kong, 5 June 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen and Mr. Yuan Mingjie; and three independent non-executive Directors, namely Mr. Tam Bing Chung Benson, Mr. Cheung Ting Pong and Mr. Shum Kei Yiu Daniel.