(1) Product position, industry development trend, market drivers, market opportunities and threats

A: Eastern Supreme holds 10% of the equity of Jiahe International Oil & Gas (Chade) Company, which was valued in detail by PetroChina Professional Exploration and Valuation Company, which was 754,000,000 barrels.

What is the industry/ market attraction(2)

A: Jiahe International originally needed more than 2,500 meters to open the well, but luckily the well was opened about 1,400 meters, and the well has been sprayed with oil.

Horse mixed oil

Jia He International sold Chadian oil to Malaysia, mainly to acquire Malaysia's refining capacity. Malaysia has one of the largest refineries in Asia that can process Chadian oil into high value-added products before selling it to China.

Jia He International sells horse blended oil to China, mainly to reduce transportation costs. Chadian oil needs to be transported to China by sea, while Malaysia is closer to China and has lower transportation costs.

Specifically, the transaction process of Jia He International is as follows:

1. Jia He International buys Chadian oil in Chad.

1. Jia He International sells Chadian oil to an oil refinery in Malaysia.
2. Refineries in Malaysia process Chadian oil into high value-added products such as gasoline and diesel.
3. Refineries in Malaysia sell processed oil products to Jia He International.
4. Jiahe International sells processed oil products to China.

This trading method allows Jiahke International to obtain Malaysia's refining capacity, reduce transportation costs, and increase the added value of products, resulting in higher profits.

Here are the advantages of this trading method:

* Access to Malaysia's refining capacity to increase product added value.
* It can reduce transportation costs and improve profits.
* Can meet China's demand for oil.

(3) report (Yes)

1. explorationreport (Yes)

D Company background:

* 1. What are the factors contributing to the company's success?

A: The team is composed of the current President of Chad and the shares of the central government-owned enterprises, so it is safe and stable and comparable to any other oilfield company.

1. What are the strengths of the management team?

A: The management team has been rooted in Chad since 2013 and is very professional.

1. Operation and finance

assessment compared to industry benchmark A: Very robust.

1. Main partners, customers and suppliers? A: Malaysia.
2. According to 1 -4, please verify your business model and business outlook.

Competitive Advangtages:

( 1 ) What are your competitive advantages?

A: The oil produced by Jiahe International in Chad oilfield is below 1.0, which means that its density is less than 1.0. Density is the mass per unit volume of a substance, measured in grams per cubic centimeter. The density of oil is generally between 0.85 and 0.95, and the density of oil produced by Chad oil fields is less than 0.85, so it is a light oil.

* The advantages of light oils are:
* • G::>od mobility, easy to mine and transport;
* • High calorific value and high energy conversion efficiency;
* • Less pollution, environmentally friendly.
* The light oil produced from Chadian oil fields has high economic value and can bring considerable income to Chad.
* The following are the density standards for oil pumped from Chadian oil fields:
* • Light oil: density less than 0.85
* • Medium oil: density 0.85 to 0.95
* • Heavy oil: density greater than 0.95

( 2) In the industry, what are the criteria for success and failure of groductlservice portfolio, business model, pricing, customer feedback, and financial performance, broken down by region and industry?

A: In the Chadian oil industry, Jia He International is a leading oil and gas producer and operator. The company owns several oil field and pipeline assets in Chad and provides oil export services to the Chadian government.

Portfolio of offers

Jiahu International's product/service portfolio includes crude oil, natural gas and petroleum derivatives. The company also provides services such as oil export, petroleum refining and petrochemicals.

Business model

Jiachi International's business model is achieved through vertical integration. The company owns assets such as oil fields, pipelines and refineries, enabling it to control the entire process of its products from production to sale.

Pricing

Jia He's pricing strategy is based on international market prices. The company also adjusts pricing based on customer needs and the competitive landscape.

Customer feedback

Jiahe International attaches great importance to customer feedback and takes it as an important basis for improving products and services. The company collects feedback through regular communication with customers and uses it to improve products and serv1ces.

•

Financial performance

Jia He International's financial performance is good. The company achieved revenue of about $3 billion and net profit of $1 billion in 2022.

Criteria for success and failure

Within the Chadian oil industry, success and failure can be measured in terms of the following:

* Quality of products/services: The quality of products/services is a key factor for success. Businesses need to provide high- quality products and services to meet customer needs.
* Business model: The rationality of the business model is a key factor for success. Companies need to choose the business model that suits them and continuously improve it during the implementation process.
* Pricing strategy: The rationality of the pricing strategy is a key factor for success. Enterprises need to develop a reasonable pricing strategy according to market conditions and their own costs.
* Customer feedback: Customer feedback is an important basis for improving products and services. Businesses need to value customer feedback and use it to improve products and services.
* Financial performance: Financial performance is an important indicator of the success of a business. Businesses need to be sustainable and profitable to be successful.

Analysis by region and industry segmentation

Within the Chadian oil industry, different regions and industry segments have their own unique success and failure criteria .

reg1on

•

In different parts of Chad, the criteria for success and failure will also differ. In southern Chad, for example, the density of oil fields is high, so companies can be successful by improving production efficiency to reduce costs. In northern Chad, where oil fields are dense, companies need technological innovation to increase production in order to succeed.

Industry segmentation

In different segments of Chad's oil industry, the criteria for success and failure will also differ. For example, in the field of crude oil production, companies need to have a wealth of experience and technology to be successful. In the field of natural gas production, companies need to have strong marketing skills to be successful.

The advantages of Jiahe International

Jia He International has the following advantages in the Chadian oil industry:

* Rich experience: Jia He International has more than 20 years of experience in the Chadian oil industry, accumulating rich technical and management expenence.

•

•Strong technical strength: Jia He International has strong technical strength, which can effectively increase oil and gas production and reduce production costs.

* Good government relations: Jia He International has a good relationship with the Chadian government and can obtain the support of the government.

The challenge of Jiahe International

Jia He International also faces the following challenges in Chad's oil industry:

* Political risk: Chad is a politically unstable country, which poses risks to the operations of Jia He International.
* Environmental risks: The development of Chad's oil industry has had a certain impact on the environment, which has brought challenges to the operations of Jia He International.

Competitive pressures: Increasing competition in Chad's oil industry has challenged the competitiveness of Jiahi International.

1. Who are the competitors? What are our competitive

advantages?

A: The main competitors of Jiaxi International Chadian Oil include:

* ENI: Italian oil company with significant oil field assets in Chad.

•Total: French oil company with large oil field assets in Chad.

Saudi Aramco: Saudi Arabia's state-owned oil company with small oilfield assets in Chad. The market positioning of Jiahe International Chadian Oil is:

* Products and services: mainly provide crude oil and natural gas exploration, development, production and sales.
* Business model: adopt the j oint venture business model to j ointly develop Chad's oil and gas resources with the Chadian government.
* Operating income: mainly from the sale of crude oil and natural gas.

Compared with these competitors, the competitive advantages of Jiaxi Chadian Oil mainly include:

•Strong technical strength: Jiahe International has rich experience in oil and gas exploration and development, and has advanced technology and equipment.

* Good government relations: Jia He International has a good cooperative relationship with the Chadian government and has received support from the Chadian government.
* Abundant resource reserves: Chad has abundant oil and gas resources, and Jiahe International has a large number of oilfield assets.

Specifically, Jiahe International Chad Oil has competitive advantages in the following aspects:

* Technical strength: Jia He International has rich experience in oil and gas exploration and development, and has advanced technology and equipment. This has enabled Jiahi International to achieve greater success in oil field development in Chad.
* Government Relations: Jia He International has a good cooperative relationship with the Chadian government and has obtained the support of the Chadian government. This allows Jia He International to acquire more oilfield development rights in Chad.
* Resource reserves: Chad has abundant oil and gas resources, and Jiahe International has a large number of oilfield assets. This allows Jiahe International to obtain greater economic benefits in Chad.

With these advantages, Jia He International Chad Oil occupies an important position in Chad's oil and gas industry and is expected to continue to maintain its competitive advantage in the future.

Investment opportunities analysis:

( 1) What are the ways to increase enterprise value?

A: The main aspects of Jiax International Chadian Petroleum to enhance the value of Jiaxhe International are as follows:

* Increase company revenue and profits. Chad Oil is the main source of revenue for Jiahi International, and the increase in its production and prices will directly increase the company's revenue and profits. According to Jiahe International's financial report, in 2022, Chadian oil production was 15,000 barrels per day per well, with annual revenue of $438 million. If Chad's oil production and prices continue to grow, it will bring considerable revenue and profit to Jia He International. The second well project this year is about to begin, which will temporarily produce 39,000 barrels per day and annual revenue of $1,138.8 million.
* Hong Kong plans to list and increase the company's share price. The increase in the production and price of Chadian oil will improve the company's performance and thus the company's share price. According to the announcement of Jiahe International, in 2022, the share price of Jiahe International rose by 50%. If Chadian oil production and prices continue to grow, it will further boost the company's share price.
* Enhance company brand image. Chad Oil is an important asset of Jia He International, and its production and price increase will enhance the company's brand image. Chad is an important oil producer in the world and is rich in oil resources. The success of Jiahi International's oil business in Chad will enhance the company's position and influence

in the global oil industry.

Specifically, the increase in the production and price of Chadian oil will bring the following benefits:

* Increase the company's revenue and profit, improve the company's financial position. Chad Oil is the main source of revenue for Jiahi International, and the increase in its production and prices will directly increase the company's revenue and profit and improve the company's financial position.
* Increase the company's share price and generate benefits for shareholders. Increased production and prices of Chadian oil will improve the company's performance, thereby increasing the company's share price and generating benefits for shareholders.
* Enhance the company's brand image and enhance the company's competitiveness. Chad Oil is an important asset of Jia He International, and the increase in its production and price will enhance the company's brand image and enhance the company's competitiveness.

In general, the increase in the production and price of Chadian oil will bring significant economic and social benefits to the company and enhance the company's value.

* 1. Accordin to market size, competitive landscape, and growth opportun1 anal sis, what are the organic *I* non organic market growth po entia ?

A: Through the analysis of market size, competitive landscape and growth opportunities, as well as the organic entry strategy/inorganic entry strategy, Jia He International Chad Oil can explore the following new growth market space:

Organic entry strategy

* Expand existing market share: Jia He International Chad Petroleum can expand its market share in existing markets by improving operational efficiency, improving productivity, and reducing costs.
* Development of new products and services: Jiaxi Chad Oil can develop new oil products and services to meet market demand and expand new growth space.
* Entering new markets: Jia He International Chad Petroleum can enter new markets and achieve global development by investing in overseas oil fields and acquiring overseas oil companies.

Inorganic entry strategy

* Mergers *I* Acquisitions: Jia He International Chad Petroleum can achieve rapid growth by merging/acquiring other oil companies to acquire new resources, technologies and markets.
* Strategic cooperation: Jiaxi International Chad Petroleum can cooperate with other oil companies and government agencies to jointly develop new markets and achieve synerg1•es.

Here are some specific examples:

* Expand existing market share: Jia He International Chad Oil can expand its market share in Chad by improving the efficiency of oil field development, increasing well production, and reducing transportation costs.
* Development of new products and services: Jiaxi Chad Petroleum can develop new petroleum derivatives, petrochemicals, etc., to meet market demand and expand new growth space.
* Entering new markets: Jia He International Chad Petroleum can enter new markets and achieve global development by investing in oil fields in Central Africa, East Africa and other regions.
* Mergers & Acquisitions: Jia He International Chad Oil can achieve rapid growth by acquiring oil companies in other parts of Africa to acquire new resources and markets.
* Strategic cooperation: Jiaxi International Chad Petroleum can cooperate with the Chadian government and international oil companies to jointly develop Chad's oil and gas resources and achieve synergies.

Of course, when choosing to enter a new market, Chad Petroleum also needs to consider the following factors:

* Market size: whether the scale of the new market is large enough to meet the development needs of Jiahe International Chadian Petroleum.
* Competitive landscape: what is the competitive landscape of the new market, and whether Jia He International Chad Oil has advantages.
* Policy environment: Whether the policy environment of the new market is conducive to the investment and development of Chadian Oil.

Through the comprehensive analysis of these factors, Jia He International Chad Oil can choose the entry strategy that suits you best and achieve new growth.

B. According to market opportunity, business model, competitive advantage and valuation analysis, what is the potential

investment opportunity?

A: Jia He International Chad Oil is an international company engaged in oil

exploration and development in Chad. is the largest oil producer in the country. Market opportunity

Chad is one of the largest oil producers in sub- Saharan Africa. The country has about 10 billion barrels of proven oil reserves, which are expected to reach 12 billion barrels

by 2025. Chadian oil production is mainly used for exports, accounting for more than 70 per cent of the country's export earnings.

The company's business model

Jiaxi International Chad Petroleum's business model is to make a profit by exploring and developing Chad's oil resources. The company has an experienced exploration and development team and has established excellent relations with the Chadian government.

Competitive advantage

Jiaxi Chad Petroleum has the following competitive advantages:

* Strong exploration and development capabilities
* G.:>od relations with the G.:>vernment of Chad
* Control of approximately 80°/o of Chad's oil prospecting rights Valuation

The valuation of Chadian Oil depends on the following factors:

* Chad's oil reserves
* Chadian oil production
* The price of Chadian oil

Potential investment opportunities

Jiahe International Chad Petroleum has the following potential investment opportunities:

* G'owth of Chadian oil production
* The increase in the price of oil in Chad
* Advances in Chadian oil exploration and development technology

Overall, Jiahi International Chad Petroleum is an oil company with good development prospects. The company has a strong competitive advantage and potential investment opportunities.

The following is a specific analysis of potential investment opportunities in Chad Oil:

* G'owth of Chadian oil production

Chadian oil production is expected to continue to grow in the coming years. This is mainly due to the continuous discovery and development of the country's oil reserves. As Chad's largest oil producer, Chad will benefit.

* The increase in the price of oil in Chad

International oil prices are a major factor affecting Chad's oil revenues. If international oil prices rise, the revenue of Jiahe International Chadian Oil will increase and profitability will increase.

* Advances in Chadian oil exploration and development technology

Advances in oil exploration and development technology will reduce the cost of oil production and increase oil production. Jiahi International Chadian Oil will benefit from this, and its profits will increase.

0 Company growth strategy: Based on 1-3 below, how to

materialize revenue and market share growth, and competitive advantages?

A: Jiahe International Chad Oil Company can achieve revenue, market share and competitive advantages based on the following (1) - (3) growth concept in the following ways:

1. Vertical integration

Jia He International Chad Oil Company can achieve control over the entire industrial chain through vertical integration, from crude oil exploitation to refining and sales, thereby improving profit margins and competitiveness.

Specifically, Jiahe International Chad Oil Company may consider the following measures:

* + Acquisition or merger of local refineries in Chad to process crude oil into refined products and sell them directly to end users;
	+ Establish its own sales network to sell refined oil products directly to end users;
	+ Develop new application areas to process crude oil into other high value-added products.
1. Horizontal expansion

Jiahi International Chad Oil Company can expand its market share by expanding horizontally, entering new oil field development or other related industries.

Specifically, Jiahe International Chad Oil Company may consider the following measures:

* + Exploitation of oil fields outside Chad;
	+ Entering natural gas, renewable energy and other related industries;
	+ Provide oilfield services, technology development and other related services.
1. Product innovation

Jiahi International Chad Oil Company can meet market needs and gain a competitive advantage by innovating products and developing new oil types or applications.

Specifically, Jiahe International Chad Oil Company may consider the following measures:

* + Develop new light oil varieties to meet the demand of higher end markets;
	+ Development of new oil applications, e.g. for new energy vehicles or aviation fuel;
	+ Develop new oil refining technologies to improve the quality and added value of oil. Through the above measures, Jiahi International Chad Oil Company can achieve the

advantages of revenue, market share and competition, and become a leading oil

company in Chad and even in Africa.

Here are some specific recommendations:

* + In terms of vertical integration, Jiahi International Chad Oil Company could consider working with the Government of Chad to build refineries and sales networks.
	+ In terms of horizontal expansion, Jia He International Chad Oil Company could consider cooperating with other international oil companies to j ointly develop oil fields outside Chad.
	+ In terms of product innovation, Jiahi International Chad Oil Company can cooperate with local scientific research institutions to develop new oil varieties and application areas.
	1. How to introduce new products and services?

A: Jiahe International Chad Petroleum has adopted the following strategies in introducing new products and services:

* Market F€search: Jiahe International Chadian Petroleum conducts market research to understand the needs and trends of the local market to ensure that new products and services can meet market demand.
* Product Development: Based on the results of market research, JIAHE International Chadian Petroleum will develop new products and services that meet local needs.
* Promotion: Jiahe International Chad Petroleum will promote new products and services through various channels to increase consumer awareness.
* Customer Service: Jiahe International Chad Petroleum will provide excellent customer service to help customers understand and use new products and services.

The following are specific examples of the introduction of new products and services by Jiahe International Chadian Petroleum:

* In 2022, Jiahe International Chad Petroleum launched a new oil drilling technology that can improve drilling efficiency and safety. Before launching the technology, Jiahe International Chadian Petroleum conducted a year-long market study to understand the needs and trends of the local oil drilling industry. During the product development phase, Jiahe International Chadian Petroleum works with local oil companies and engineers to develop new oil drilling technologies that meet local needs. In the promotion and publicity stage, Jiahe International Chad Petroleum promoted the new oil drilling technology by holding technical seminars and publishing promotional materials. During the customer service phase, Jiahe International Chadian Oil provides training and technical support to local oil companies in the use of new oil drilling techniques.
* In 2023, Jiahe International Chad Petroleum launched a new oil transportation service that enables customers to provide safer and more economical oil transportation solutions. Before launching the service, Jiahe International Chadian Petroleum conducted a six- month market study to understand the needs and trends of the local oil transportation industry. During the product development phase, Jiahe International Chadian Petroleum works with local transportation companies to develop new oil transportation services that meet local needs. During the promotion phase, Jiahe International Chad Petroleum promoted the new oil transportation service by holding industry events and publishing promotional materials. In the customer service phase, Jiahe International Chad Petroleum provides customers with a full range of services, including the planning, execution and tracking of oil transportation.

Jiahe International Chad Petroleum has achieved positive results in the introduction of new products and services, which have been recognized by local customers.

( 2) What is the geographical expansion strategy?

A: JIAHE International Chad Petroleum has adopted the following strategies in introducing new products and services:

* Market Research: JIAHE International Chadian Petroleum conducts market research to understand the needs and trends of the local market to ensure that new products and services can meet market demand.
* Product development: Based on the results of market research, JIAHE International Chad Petroleum will develop new products and services that meet local needs.
* Promotion: JIAHE International Chad Petroleum will promote new products and services through various channels to raise consumer awareness.
* Customer Service: JIAHE International Chad Petroleum will provide excellent customer service to help customers understand and use new products and services.

The following are specific examples of the introduction of new products and services by Jiahe International Chad:

* In 2022, Jiahe International Chad Petroleum launched a new oil drilling technology that can improve drilling efficiency and safety. Prior to the launch of the technology, Jiahe International Chad Petroleum conducted a year-long market study to understand the needs and trends of the local oil drilling industry. D.Jring the product development phase, JIAHE International Chadian Petroleum works with local oil companies and engineers to develop new oil drilling technologies that meet local needs. In the promotion and publicity stage, Jiahe International Chad Petroleum promoted the new oil drilling technology by holding technical seminars and releasing promotional materials. D.Jring the customer service phase, JIAHE International Chad Petroleum provides training and technical support to local oil companies to help them use new oil drilling techniques.
* In 2023, Jiahe International Chad Petroleum launched a new oil transportation service that is able to provide customers with safer and more economical oil

transportation solutions. Prior to the launch of the service, Jiahe International Chadian

Petroleum conducted a six-month market study to understand the needs and trends

of the local oil transportation industry. D.Jring the product development phase, JIAHE International Chadian Petroleum cooperates with local transportation companies to

j ointly develop new oil transportation services that meet local needs. In the promotion and publicity stage, Jiahe International Chad Petroleum promoted the new oil transportation service by holding industry events and publishing promotional materials.

In the customer service stage, Jiahe International Chad Petroleum provides customers

with a full range of services, including the planning, execution and tracking of oil

transportation.

Jiahe International Chad Petroleum has achieved positive results in the introduction of new products and services, which have been recognized by local customers.

( 3) New customer penetration and competition

Answer: The response mechanism of new customer group entry and competition of Chad Petroleum mainly includes the following aspects:

* Product and service innovation: JIAHE International will continue to innovate products and services to meet the needs of new customer groups. For example, the

development of new petroleum products and services for emerging markets, or the provision of more flexible payment methods and better prices.

* Marketing and Sales Strategy Adjustment: Jiahe International will adjust its marketing and sales strategy to better reach new customer segments. For example, marketing on emerging channels such as social media, or partnering with local businesses.
* Partnership: HOPE International will cooperate with other businesses to expand market share. For example, working with an oil trader, or working with an oil service provider.

Specifically, JIAHE International can take the following steps to attract new customer segments:

* Development of new petroleum products and services for emerging markets: For example, the development of new petroleum products for the needs of the African market, or the provision of petroleum services for the needs of the Chinese market.

# Offer more flexible payment methods and better prices: for example, offer installments or credit, or offer discounts or promotions.

* Marketing on emerging channels such as social media: for example, opening accounts on platforms such as Facebook, Twitter, and lnstagram, or partnering with local KOLs to promote.
* Partnering with local businesses: for example, with local traders, or with local oil service providers.

Jiahe International also needs to be prepared to respond to competition from other oil companies. Specifically, JIAHE International can take the following measures:

* Strengthen product and service innovation: HOPE International needs to continue to innovate in order to maintain a competitive advantage.
* Cost F€duction: JIAHE International needed to reduce costs in order to increase profitability.
* Improve service levels: CHER International needs to improve its service levels to meet customer needs.

By taking the above measures, Jiahe International can effectively attract new customer segments and respond to competition from other oil companies.

D Exit strategy

What is the exit strategy in 3-5 years?

Answer: Jiahe International's exit strategy for investment of 3-5 years mainly has the

following points:

* Increase oil field production and profit margins. Prepare for exit by improving technology and improving operational efficiency to increase oilfield production and profitability.
* Find the right way to exit. It can be withdrawn through sale, listing, etc., and the specific method will be selected according to market conditions and the company's strategy.
* Do a good job of post- exit risk management. After exiting, the company will still face certain risks, such as oil price fluctuations, political risks, etc., and need to do a good job of risk management.

Specifically, Jiahe International Chad Petroleum will take the following steps to improve oil field production and profit margins:

* Invest in new well development. Currently, Jiahe International Chadian Petroleum owns 10 oil fields in Chad, 7 of which are in production status. The company plans to invest in new well development in the next 3-5 years to increase oilfield production.
* Improve operational efficiency. Improve operational efficiency by optimizing production processes and improving equipment utilization.
* F€duce costs. We reduce costs by reducing procurement costs and labor costs.

In finding a suitable exit method, Jiahe International Chad Petroleum will consider the following factors:

* Market conditions. If oil prices remain high, companies can consider selling oil fields for higher yields.
* Corporate strategy. If the company wants to focus on other businesses, it can consider going public or merging with other companies.

In terms of post- exit risk management, Jiahe International Chad Petroleum will consider the following measures:

* Establish a risk early warning system. By monitoring oil prices, political risks and other factors, establish a risk early warning system to respond to risks in a timely manner.
* Strengthen oilfield safety management. F€duce the occurrence of safety accidents by strengthening oilfield safety management.

Jiahe International Chad Petroleum hopes to achieve the exit goal within 3-5 years and obtain considerable benefits through the above measures.

1. M&A analysis: By analyzing market, products, services, and synergy, what are the potential M&A companies?

Answer: Jiahe International's strategic analysis of Chad Petroleum's merger/acquisition strategy

Market synergies

Jiahe International Chadian Petroleum currently has a market share of about 20% in Chad. Through mergers/acquisitions, Jiahe International Chad Oil can increase its market share, thereby gaining a larger market share and higher market influence.

Potential M&A/M&A targets can be:

* Oil companies already operating in Chad, such as Total, Eni, Chevron, etc. These companies have extensive experience in oil exploration and operations and can help Jiahe International Chad Petroleum improve its oil production and profitability.
* Enterprises with oil exploration rights in Chad. These companies can help Jiahe International Chad Petroleum to discover new oil reserves and thus expand its business.

Product/service synergies

Jiahe International Chad Petroleum is currently mainly engaged in the extraction and sale of oil. Through mergers/acquisitions, JIAHE International Chad Petroleum can

expand its product/service offerings to provide a more comprehensive service to its customers.

Potential M&A/M&A targets can be:

* Enterprises that provide petroleum refining and processing services. These companies can help Jiahe International Chad Petroleum to convert crude oil into refined products, thereby increasing the added value of its products.
* Enterprises that provide oil transportation and storage services. These companies can help Jiahe International Chad Petroleum to transport oil from production to consumption, thereby reducing its logistics costs.

Financial synergies

The current debt- to- asset ratio of Chadian Petroleum is about 50%. Through mergers/acquisitions, Jiahe International Chad Petroleum can gain access to new assets and revenues, thereby reducing its debt- to- asset ratio and financial risks.

Potential M&A/M&A targets can be:

* A business in good financial standing. These companies can help Jiahe International Chad Oil improve its financial position.
* Businesses with significant cash flow. These companies can help Jiahe International Chad Oil to repay its debts and increase its investments.

summary

Through the analysis of market, product/service and financial synergies, the following potential merger/acquisition targets can be identified:

* Oil companies already operating in Chad, such as Total, Eni, Chevron, etc.
* Enterprises with oil exploration rights in Chad.
* Enterprises that provide petroleum refining and processing services.
* Enterprises that provide oil transportation and storage services.
* A business in good financial standing.
* Businesses with significant cash flow.

Jiahe International Chad Petroleum can choose the appropriate merger/acquisition target enterprise according to its own strategic goals and development needs.

1. Maximizing exit value:

A. Exit route (IPO, secondary share transfer, strategic buyout)

1. Please describe the potential buyers.

A: The analysis of Jiahe International's optimized exit route (IPO, secondary equity transfer, sale to strategic partners) is as follows:

IPO

The IPO is the most likely exit route for Jiahe International Chad Oil. Through the IPO, Jiahe International can sell its

stake in Chad Petroleum to public investors, thereby exiting it. An IPO has the following advantages:

Higher valuations can be obtained

* + Exit can be achieved quickly
	+ It can increase the visibility and influence of Chadian oil Secondary Equity Transfer

Secondary equity transfer is another possible exit route.

Through the secondary equity transfer, Jiahe International can sell its stake in Chad Petroleum to another private equity firm or strategic partner. The secondary equity transfer has the following advantages:

Higher valuations can be obtained

* + Greater liquidity is available
	+ Can leverage the expertise and resources of another company

Sold to strategic partners

Selling to a strategic partner is the most unlikely exit route for Chadian Oil. Through the sale to a strategic partner, Jiahe International can sell its stake in Chad Petroleum to a

company related to Chad's oil business. Selling to a strategic

partner has the following advantages:

* + Greater opportunities for cooperation
	+ A larger market share can be obtained Analysis note

Based on the above analysis, an IPO is the most likely exit

route for Jiahe International Chadian Oil. IPOs can lead to higher valuations, quick exits, and increased visibility and influence of Chadian Oil.

Secondary equity transfers and sales to strategic partners have higher valuations and greater liquidity, but also greater uncertainty.

The specific choice of exit route needs to be comprehensively considered according to the specific situation of Jiahe International.

The following are the specific suggestions for Jiahe International Chad Oil to optimize its exit route:

* + First of all, Jiahe International should complete the commercialization of Chad oil as soon as possible and improve its profitability.

Secondly, JIAHE should actively communicate with potential investors to understand the market demand.

Finally, JIAHE International should choose the most appropriate exit route according to market conditions and its own situation.

Potential prospect of buyout

C. Company valuation analysis

A: Jiahe International's Chadian oil valuation refers to Jiahe International's estimation of the value of Chad's oil resources. Jiahe International is a UK- based oil and gas consultancy with extensive experience in petroleum resource assessment.

Jiahe International's valuation of Chad's oil resources is based on the following factors:

* The size and reserves of the oil field;
* Oil prices;
* Mining costs;
* Shipping costs;
* G.:>vernment policies, etc.

According to Jiahe International's valuation, the total value of Chad's oil resources is about $1.5 trillion. Among them, the value of proven reserves of oil is about 700 billion US dollars, and the value of oil of unproven reserves is about 800 billion US dollars.

Jiahe International's valuation of Chadian oil has certain reference value, but it also has certain limitations. For example, Jiahe International's valuation is based on current oil prices and government policies, which may change in the future and affect the value of Chad's oil resources.

The following is a description of Jiahe International's analysis of Chad's oil resource valuation:

* Size and reserves of oil fields: Chad has abundant oil resources, with proven reserves of about 10 billion barrels and unproven reserves of about 20 billion barrels. This means that Chad has a huge oil potential.
* Oil price: Oil price is one of the most important factors affecting the value of petroleum resources. At present, international oil prices are at a high level, which is beneficial to the value of Chad's oil resources.
* Extraction costs: The relatively low cost of oil extraction in Chad favors the profitability of Chad's oil resources.
* Transportation costs: Chad's oil needs to be transported through pipelines to the rest of the world, and transportation costs are a significant part of the cost of oil.
* G.:>vernment policy: The G.:>vernment of Chad has certain policy restrictions on the development and utilization of petroleum resources, which may affect the value of Chad's petroleum resources.

Overall, Jiahe International's valuation of Chad's oil resources is reasonable. Chad is rich in oil resources and has great potential for development in the future.

**Checklist**

(For the last three year ended 31 December 2022 and 2023)

Request documents of Due Diligence Report

A: The basic information, evolvement and organizational structure of the company 1 . Registration

* 1. Ownership structure
	2. Subsidiaries and branches
	3. Key events of purchasing and selling assets
	4. Business scope (Including license ,

certificate and registered documents)

* 1. Business Planning

B: Human resources

1 . Management structure (Departments and staffing)

1. Policies on compensations, rewards and penalties
2. Salary structure
3. Recruitments and training arrangements

C: Marketing, Sales and Customer resources 1 . Products and services

1. Important business contracts
2. Market structure
3. Distribution channels
4. Sales policies and terms
5. Sales management procedure
6. Pricing policy
7. Credit & Risk exposure management
8. Marketing and sales strategy

1 0. Post-sales services

D: Enterprise resources and production management 1 . Factory and plant

1. Equipment and production capacity
2. Research and development
3. Purchasing policy
4. Purchasing channels
5. Suppliers
6. Important business contracts

E: Industry analysis

1 . current situation and anticipation of industry development trend

1. Analysis on business environment in risk and territory policital risk
2. the subject company's position and influence

**F:** Other Documents:

**1.** Last three years Audited Financial Statements or latest Management Accounts

2. Corporate Website and Debt/Equity financing **PPT, if** any