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華邦金融控股有限公司

Huabang Financial Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

MAJOR TRANSACTION – ACQUISITION OF PROPERTY

The Board is pleased to announce that on 20 December 2017, the Purchaser, an indirectly wholly-owned subsidiary of the Company, the Vendor and the Property Agent entered into the Provisional Agreement pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property.

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are summarised below:

Date: 20 December 2017

Parties:

- (1) Purchaser, being Huabang Financial Investments Limited, an indirectly wholly-owned subsidiary of the Company
- (2) Vendor
- (3) Property Agent

To the best of the knowledge, information and belief of the Directors, the Vendor, the Property Agent and their respective ultimate beneficial owner(s) are Independent Third Parties.

Property to be acquired

The Property to be acquired by the Purchaser from the Vendor consists of (i) Units 1 to 8, 33rd Floor, Enterprise Square Three, Kowloon Bay, Hong Kong and (ii) car parking spaces nos.11 to 14 on 3rd Floor, Enterprise Square Three, Kowloon Bay, Hong Kong, and is currently used and occupied by the Vendor.

A valuation report on the Property prepared by an independent professional valuer to be appointed by the Company will be contained in the circular to be despatched to the Shareholders.

The Property is to be sold to the Purchaser on an “as is” basis. Pursuant to the terms of the Provisional Agreement, the parties shall enter into the Formal Sale and Purchase Agreement for the acquisition of the Property on or before 11 January 2018.

Consideration

The Consideration is HK\$219,765,000, which shall be paid by the Purchaser by way of cash in the following manner:

1. initial deposit of HK\$10,000,000, representing approximately 4.55% of the Consideration, upon signing of the Provisional Agreement;
2. further deposit of HK\$11,976,500, representing approximately 5.45% of the Consideration, upon signing of the Formal Sale and Purchase Agreement; and
3. HK\$197,788,500, representing the balance of the Consideration, upon Completion.

The Consideration was determined after arm’s length negotiations between the parties by reference to the prevailing market conditions, as well as the location of the Property and market price of comparable properties in the same area.

It is expected that the Consideration will be financed by a combination of (i) internal resources of the Group and (ii) bank mortgage financing to the extent where available.

Completion

Subject to satisfaction of the conditions to the Provisional Agreement, completion of the Acquisition shall take place on or before 18 April 2018.

REASONS FOR THE ACQUISITION

The Group has been identifying additional premises to cope with the Group’s operational needs and cater for the Group’s future growth and development, and exploring investment opportunities with an aim to enhance the returns to the Company and its shareholders as a whole. The Group intends to use the Property as self-owned office after Completion and may, depending on future market circumstances, consider to lease out part of the Property at opportune time to increase the Group’s income base and maximise return to Shareholders.

The Acquisition is considered by the Directors to be beneficial to the Group as it is expected to (i) provide more spacious area of self-owned office to cater for the Group’s future development and (ii) provide capital appreciation potential to the Group.

Taking into account the above factors, the Directors consider that the terms of the Acquisition (including the Consideration) are on normal commercial terms and are fair and reasonable, and the Acquisition is in the interests of the Shareholders and the Company as a whole.

As none of the Directors has any material interest in the Provisional Agreement and the Acquisition, none of them has abstained from voting on the Board resolution(s) which approved the Provisional Agreement and the Acquisition.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) financial services business, (ii) computer and peripheral products business and (iii) money-lending business.

INFORMATION OF THE VENDOR

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a company incorporated in Hong Kong with limited liability and is the owner of the Property.

IMPLICATION UNDER THE LISTING RULES

As one or more of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, publication and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Acquisition. As such, no Shareholder would be required to abstain from voting if a general meeting were convened to approve the Acquisition. Written approval of the Acquisition will be obtained from Forever Star Capital Limited, which is beneficially interested in approximately 70.04% of the issued share capital of the Company as at the date of this announcement, and is held as to 50% by Mr. George Lu, our executive Director, and 50% by his spouse, Ms. Shen Wei. Pursuant to Rule 14.44 of the Listing Rules, Forever Star Capital Limited's written approval may be accepted in lieu of holding a general meeting. As such, the Company is not required to convene an extraordinary general meeting for approving the Acquisition.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Acquisition and other information required under the Listing Rules is required to be despatched to the Shareholders within 15 business days after the publication of this announcement. In order to allow sufficient time for preparing the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. Further announcement(s) regarding the grant of such waiver will be made by the Company as and when appropriate in compliance with the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Huabang Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange (stock code: 3638)
“Completion”	completion of the Acquisition
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$219,765,000, being the purchase price of the Property
“Directors”	the directors of the Company
“Formal Sale and Purchase Agreement”	the formal sale and purchase agreement in relation to the Acquisition to be entered into between the Vendor and the Purchaser on or before 11 January 2018
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected to the Company and any of its connected persons or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Provisional Agreement”	the provisional agreement for sale and purchase of the Property entered into between the Purchaser, the Vendor and the Property Agent on 20 December 2017
“Property”	(i) Units 1 to 8, 33rd Floor, Enterprise Square Three, Kowloon Bay, Hong Kong and (ii) car parking spaces nos.11-14 on 3rd Floor, Enterprise Square Three, Kowloon Bay, Hong Kong
“Property Agent”	Centaline Property Agency Limited
“Purchaser”	Huabang Financial Investments Limited, an indirectly wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Lian Industrial Company Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

By Order of the Board
Huabang Financial Holdings Limited
George Lu
Chairman & Chief Executive Officer

Hong Kong, 20 December 2017

As at the date of this announcement, the Executive Directors of the Company are Mr. George Lu, Mr. Lau Wan Po, Mr. Pang Chung Fai Benny and Ms. Lau Wing Sze; and the independent Non-Executive Directors of the Company are Mr. Loo Hong Shing, Vincent, Mr. Shin Yick Fabian, Mr. Mu Binrui and Mr. Lam Allan Loc.