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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)

**DISCLOSEABLE TRANSACTION
CORNERSTONE INVESTMENT AGREEMENT**

CORNERSTONE INVESTMENT

The Board is pleased to announce that on 25 September 2020, Goldenmars Investments (an indirect wholly-owned subsidiary of the Company, as an investor) entered into the Cornerstone Investment Agreement with China Nature Energy Technology (as the issuer), Fortune Financial Capital (as the Sole Sponsor), Essence International Securities (as one of the Joint Global Coordinators) and Fortune (HK) Securities (as one of the Joint Global Coordinators), pursuant to which Goldenmars Investments has agreed to subscribe for the Investor Shares at the Offer Price. The Aggregate Subscription Price payable by Goldenmars Investments under the Cornerstone Investment Agreement (exclusive of the Brokerage and the Levies in respect of the Investor Shares) is HK\$10 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Cornerstone Investment is more than 5% but less than 25%, the Cornerstone Investment constitutes a discloseable transaction for the Company and accordingly, is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 25 September 2020, Goldenmars Investments (an indirect wholly-owned subsidiary of the Company, as an investor) entered into the Cornerstone Investment Agreement with China Nature Energy Technology (as the issuer), Fortune Financial Capital (as the Sole Sponsor), Essence International Securities (as one of the Joint Global Coordinators) and Fortune (HK) Securities (as one of the Joint Global Coordinators), pursuant to which Goldenmars Investments has agreed to subscribe for the Investor Shares at the Offer Price. The Aggregate Subscription Price payable by Goldenmars Investments under the Cornerstone Investment Agreement (exclusive of the Brokerage and the Levies in respect of the Investor Shares) is HK\$10 million.

CORNERSTONE INVESTMENT AGREEMENT

The principal terms of the Cornerstone Investment Agreement are as follows:

Date

25 September 2020

Parties

- (1) Goldenmars Investments, as investor
- (2) China Nature Energy Technology, as issuer
- (3) Fortune Financial Capital, as the Sole Sponsor
- (4) Essence International Securities, as one of the Joint Global Coordinators
- (5) Fortune (HK) Securities, as one of the Joint Global Coordinators

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of China Nature Energy Technology, Fortune Financial Capital, Essence International Securities and Fortune (HK) Securities and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Cornerstone Investment

Subject to the conditions set out in the paragraph headed "Conditions Precedent" below being fulfilled or waived (as the case may be), Goldenmars Investments has agreed to subscribe for, and China Nature Energy Technology has agreed to issue to Goldenmars Investments, the Investor Shares at the Offer Price under and as part of the International Placing.

The number of Investor Shares to be subscribed by Goldenmars Investments shall be calculated by dividing HK\$10 million by the Offer Price (exclusive of the Brokerage and the Levies which Goldenmars Investments shall pay in respect of the Investor Shares), rounded down to the nearest whole board lot of 1,000 CNET Shares.

The Investor Shares will, when issued and delivered, be fully paid-up, freely transferable and free from all options, liens, charges, mortgages, pledges, claims, equities, encumbrances and other third party rights and shall rank pari passu with the CNET Shares then in issue and to be listed on the Stock Exchange.

China Nature Energy Technology is seeking a listing on the Main Board of the Stock Exchange by way of a Global Offering comprising (i) the Hong Kong Public Offering and (ii) the International Placing. The Cornerstone Investment forms part of the International Placing.

China Nature Energy Technology has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, among other things, the Investor Shares.

Consideration and Payment

The Aggregate Subscription Price payable by Goldenmars Investments under the Cornerstone Investment Agreement (exclusive of the Brokerage and the Levies in respect of the Investor Shares) is HK\$10 million and will be funded by the internal sources of funding of the Group.

The Aggregate Subscription Price for all the Investor Shares, together with the Brokerage and the Levies in respect of the Investor Shares, shall be paid by Goldenmars Investments to the Joint Global Coordinators by same day value credit in Hong Kong dollars by wire transfer in immediately available funds at or before 8:00 a.m. (Hong Kong time) on the Listing Date.

The Aggregate Subscription Price was determined after arm's length negotiations between the parties to the Cornerstone Investment Agreement with reference to the size of investment as offered by China Nature Energy Technology and accepted by Goldenmars Investments, and prevailing market conditions.

Conditions Precedent

The parties' respective obligations under the Cornerstone Investment Agreement to effect completion of the Cornerstone Investment are conditional upon the following conditions having been satisfied or waived (except that the conditions set out in (a), (b), (c) and (d) below cannot be waived):

- (a) the underwriting agreements for the Hong Kong Public Offering and the International Placing having been entered into, having become effective and unconditional in accordance with their respective original terms (or as subsequently waived, to the extent it may be waived, by the relevant parties thereto) by no later than the respective time and date specified therein, and not having been terminated;
- (b) the Offer Price having been agreed between the Joint Global Coordinators (for themselves and on behalf of the other underwriters under the Global Offering) and China Nature Energy Technology in connection with the Global Offering;
- (c) the Listing Committee of the Stock Exchange having granted or agreed to grant the approval for the listing of, and permission to deal in, the CNET Shares on the Main Board of the Stock Exchange and such approval or permission not having been revoked;

- (d) no laws having been enacted or promulgated by any governmental authority which prohibits the consummation of the completion of the Cornerstone Investment and there having been no order or injunction of a court of competent jurisdiction in effect precluding or prohibiting consummation of the completion of the Cornerstone Investment; and
- (e) the representations, warranties, acknowledgements, undertakings and confirmations provided by Goldenmars Investments under the Cornerstone Investment Agreement are true and accurate in all respects and not misleading and there having been no breach of the Cornerstone Investment Agreement on the part of Goldenmars Investments.

If any of the conditions set out above has not been satisfied or waived (the condition set out in (e) above may only be waived by China Nature Energy Technology, Fortune Financial Capital Limited, Essence International Securities and Fortune (HK) Securities, and the remaining conditions cannot be waived) on or before the date that is 180 days after the date of the Cornerstone Investment Agreement (or such other date as may be agreed among the parties thereto in writing), the obligations of the parties under the Cornerstone Investment Agreement shall cease, and any amount paid by Goldenmars Investments under the Cornerstone Investment Agreement for the Investor Shares shall be repaid to Goldenmars Investments without interest (not later than 30 days of termination of Cornerstone Investment Agreement), and the Cornerstone Investment Agreement shall terminate and be of no effect, provided that termination of the Cornerstone Investment Agreement shall be without prejudice to the accrued rights or liabilities of any party to the other parties in respect of the terms therein at or before such termination.

Restriction in Disposal

Goldenmars Investments (and any wholly-owned subsidiary elected by Goldenmars Investments to acquire the Investor Shares in accordance with the terms of the Cornerstone Investment Agreement) shall be subject to, among other restrictions, a lock-up period of six months from the Listing Date in accordance with the terms of the Cornerstone Investment Agreement.

Completion of the Cornerstone Investment

The Investor Shares will be acquired on the Listing Date contemporaneously with the closing of the International Placing, or at such time and in such manner as shall be determined by China Nature Energy Technology and the Joint Global Coordinators.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CORNERSTONE INVESTMENT AGREEMENT

The Group is principally engaged in the financial services business and computer and peripheral products business. Goldenmars Investments is an investment holding company. The Company is of the view that the Cornerstone Investment in China Nature Energy Technology will be a good

financial investment, as it considers the business outlook of China Nature Energy Technology to be positive and the Cornerstone Investment is in line with the Group's business plan which will bring investment returns to the Shareholders and the Group.

The Directors (including the independent non-executive Directors) are of the view that the Cornerstone Investment Agreement was entered into after arm's length negotiation between the parties thereto and reflects normal commercial terms, and that the terms of the Cornerstone Investment Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON CHINA NATURE ENERGY TECHNOLOGY

China Nature Energy Technology is a wind power solution and pitch control system provider in the PRC. It principally engages in the R&D, integration, manufacture and sale of pitch control systems for wind turbines.

The audited consolidated financial information of China Nature Energy Technology for the three financial years ended 31 December 2017, 2018 and 2019 and the four months ended 30 April 2020, prepared in accordance with International Financial Reporting Standards, are as follows:

	For the year ended 31 December			For the four months ended
	2017	2018	2019	30 April 2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income				
tax	8,988	31,423	49,570	5,450
Profit for the year	7,699	27,875	42,689	4,236

The audited consolidated net asset value of China Nature Energy Technology as at 31 December 2019 and 30 April 2020 was RMB105,642,000 and RMB109,853,000, respectively.

INFORMATION ON FORTUNE FINANCIAL CAPITAL, ESSENCE INTERNATIONAL SECURITIES AND FORTUNE (HK) SECURITIES

Fortune Financial Capital is a company incorporated in Hong Kong with limited liability. Fortune Financial Capital is a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO.

Essence International Securities is a company incorporated in Hong Kong with limited liability. Essence International Securities is a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO.

Fortune (HK) Securities is a company incorporated in Hong Kong with limited liability. Fortune (HK) Securities is a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Cornerstone Investment is more than 5% but less than 25%, the Cornerstone Investment constitutes a discloseable transaction for the Company and accordingly, is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As completion of the Cornerstone Investment is subject to the satisfaction or waiver (as the case may be) of the conditions precedent set out in the Cornerstone Investment Agreement which may or may not be satisfied or waived (as the case may be), Shareholders and potential investors in the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Aggregate Subscription Price”	the amount equal to the Offer Price multiplied by the number of Investor Shares to be purchased by Goldenmars Investments pursuant to the Cornerstone Investment Agreement
“Board”	the board of Directors of the Company
“Brokerage”	brokerage of 1% of the Aggregate Subscription Price in respect of the Investor Shares
“China Nature Energy Technology”	China Nature Energy Technology Holdings Limited (中國納泉能源科技控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands
“Company”	Huabang Financial Holding Limited (華邦金融控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, whose issued shares are listed on the Stock Exchange
“Cornerstone Investment”	the subscription of the Investor Shares contemplated under the Cornerstone Investment Agreement

“Cornerstone Investment Agreement”	the cornerstone investment agreement dated 25 September 2020 entered into between Goldenmars Investments, China Nature Energy Technology, Fortune Financial Capital, Essence International Securities and Fortune (HK) Securities in relation to the Cornerstone Investment
“CNET Share(s)”	ordinary share(s) in the share capital of China Nature Energy Technology
“Directors”	the directors of the Company
“Essence International Securities”	Essence International Securities (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and one of the Joint Global Coordinators
“Fortune Financial Capital”	Fortune Financial Capital Limited, a company incorporated in Hong Kong with limited liability and the Sole Sponsor
“Fortune (HK) Securities”	Fortune (HK) Securities Limited, a company incorporated in Hong Kong with limited liability and one of the Joint Global Coordinators
“Global Offering”	the global offering of the CNET Shares which comprises the Hong Kong Public Offering and the International Placing
“Goldenmars Investments”	Goldenmars Technology Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries. The Group is principally engaged in financial services business and computer and peripheral products business
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	the offer of CNET Shares by China Nature Energy Technology for subscription in Hong Kong
“International Placing”	the conditional placing of CNET Shares for and on behalf of China Nature Energy Technology to professional, institutional, corporate and other investors in Hong Kong and elsewhere in the world outside the United States

“Investor Shares”	such number of CNET Shares to be subscribed by Goldenmars Investments pursuant to the Cornerstone Investment Agreement for an aggregate amount of HK\$10 million at the Offer Price (exclusive of the Brokerage and the Levies), rounded down to the nearest whole board lot of 1,000 CNET Shares
“Joint Global Coordinators”	the joint global coordinators appointed by China Nature Energy Technology in relation to the Global Offering
“Levies”	SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, in each case, of the Aggregate Subscription Price in respect of the Investor Shares
“Listing Date”	the date on which the CNET Shares are first listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer Price”	the final Hong Kong dollar price per CNET Share (exclusive of the Brokerage and the Levies) at which the CNET Shares are to be issued and sold pursuant to the Global Offering
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Shareholders”	holders of the issued shares in the Company
“Sole Sponsor”	the sole sponsor in relation to the listing of the CNET Shares on the Main Board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 25 September 2020

As at the date of this announcement, the executive Director of the Company is Mr. George Lu; the non-executive Director of the Company is Mr. Pang Chung Fai Benny; and the independent non-executive Directors of the Company are Mr. Loo Hong Shing, Vincent, Mr. Zhu Shouzhong and Mr. Li Huaqiang.