

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**華邦科技控股有限公司**

**HUABANG TECHNOLOGY HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3638)**

## **MAJOR TRANSACTION IN RELATION TO ACQUISITION OF THE TARGET COMPANIES**

### **THE SHARE TRANSFER AGREEMENT**

On 3 October 2022 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company entered into the Share Transfer Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Companies, at a consideration of HK\$25,000,000 which will be settled by the payment to the Vendor the Earnest Money and Cash Consideration.

### **LISTING RULE IMPLICATIONS**

#### **Major Transaction**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but all such percentage ratios are below 100%, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Acquisition will be subject to the approval by the Independent Shareholders at the EGM. The EGM will be held by the Company for the Shareholders to consider, and if thought fit, to pass the resolutions to approve the Share Transfer Agreement and the transactions contemplated thereunder. Pursuant to Rule 2.15 of the Listing Rules, any Shareholder who has a material interest in the Share Transfer Agreement shall abstain from voting to approve the Share Transfer Agreement and the transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, as at the date of this announcement, the Vendor holds 47,184,000 Shares, representing approximately 8.97% of the issued Shares of the Company. The Vendor is not a connected person of the Group, and save as aforesaid, is an Independent Third Party of the Company. Given the Vendor's interest in the Share Transfer Agreement, it is required

to abstain from voting in respect of the proposed resolutions for approving the Share Transfer Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, no Shareholder (other than the Vendor) is required to abstain from voting at the EGM.

A circular containing, among other things, further details of the Acquisition and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 25 October 2022.

**Shareholders and potential investors shall note that Completion of the Acquisition is subject to the conditions precedent set out in the section headed “Conditions precedent” and may or may not materialize. Shareholders and potential investor are advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on 3 October 2022 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Vendor. Principal terms of the Share Transfer Agreement are set out as follows:

## **THE SHARE TRANSFER AGREEMENT**

### **Date**

3 October 2022

### **Parties**

- (i) the Purchaser, a wholly-owned subsidiary of the Company; and
- (ii) the Vendor, being the sole legal and beneficial owner of the Target Companies.

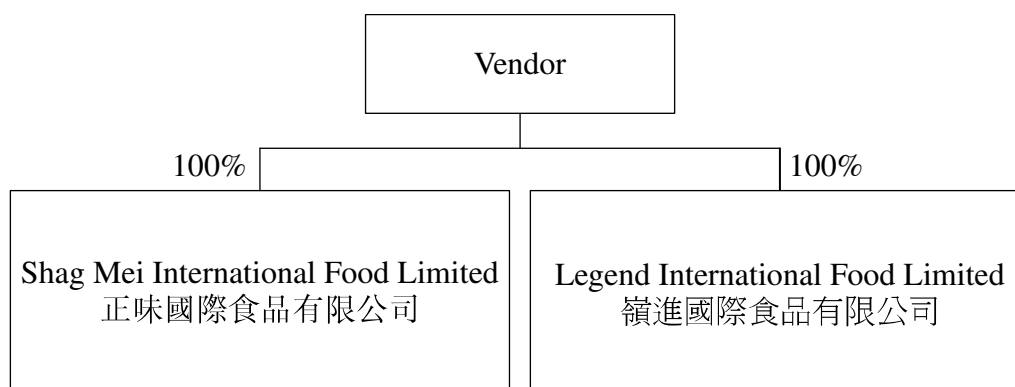
To the best of the Directors' knowledge, as at the date of this announcement, the Vendor holds 47,184,000 Shares, representing approximately 8.97% of the issued Shares of the Company. The Vendor is not a connected person of the Group, and save as aforesaid, is an Independent Third Party of the Company.

### **Assets to be acquired**

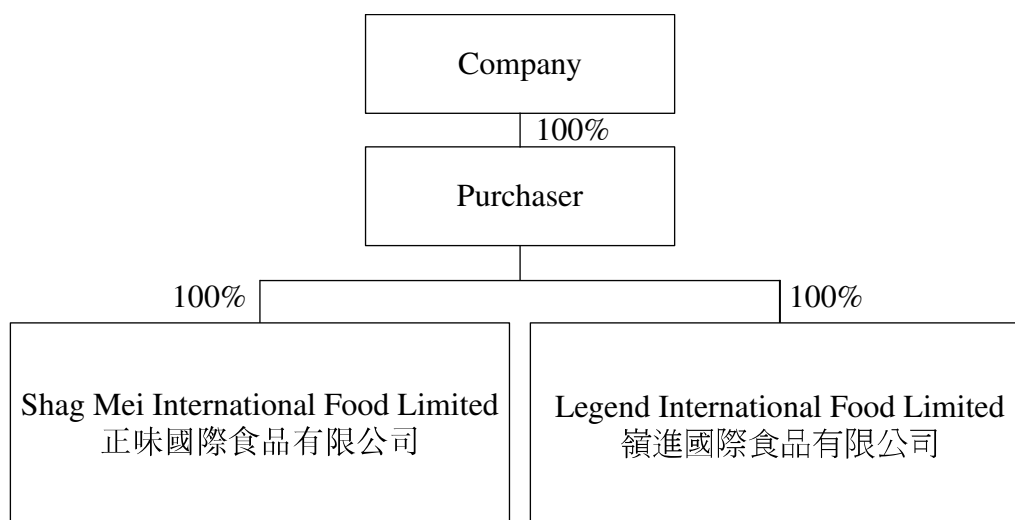
Pursuant to the Share Transfer Agreement the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 100% of the entire issued share capital of the Target Companies as at the date of the Share Transfer Agreement.

Upon Completion, the Target Companies will become wholly-owned subsidiaries of the Company.

Set out below is a corporate structure chart showing the structure of the Target Companies immediately before Completion:



Set out below is a simplified corporate structure chart showing the structure of the Group (including the Target Companies) immediately after Completion:



### Consideration

The consideration for the Sale Shares is HK\$25,000,000, which will be satisfied by the Purchaser paying the Vendor (i) Earnest Money in the amount of HK\$5,000,000 on the date of the Share Transfer Agreement and (ii) the Cash Consideration in the amount of HK\$20,000,000 upon Completion. The Earnest Money has been paid by the Purchaser to the Vendor.

The Earnest Money is returnable to the Purchaser by the Vendor (without interest) upon the termination of the Share Transfer Agreement if any of the conditions precedent to the Share Transfer Agreement (as set out in the section headed “*Conditions precedent*”) are not satisfied (or waived, if

applicable) on or before 150 days after the date of the Share Transfer Agreement (or such other dates as the parties may agree), and shall be returned to the Purchaser immediately upon the termination of the Share Transfer Agreement.

The Consideration has been arrived at between the parties after arm's length negotiations, taking into account (i) the Valuation, (ii) the net asset value of the Target Companies, (iii) the audited financial results of the Target Companies for the year ended 31 March 2022 and the management accounts for the period from 1 April to 31 July 2022, and (iv) the future prospects of the principal business of the Target Companies.

### **Conditions precedent**

Completion of the Share Transfer Agreement is conditional upon fulfillment of the following conditions:

- (a) there being no material adverse impact on the financial, business and trading positions of the Target Companies, or assets, liabilities, profitability or prospects of the Target Companies, or an event reasonably likely to result in such a material adverse impact, during the period from the date of the Share Transfer Agreement to the Completion Date;
- (b) the Purchaser being reasonably satisfied with the due diligence results in relation to, *inter alia*, the legal, finance, taxation, business, rights to its assets and other aspects of the Target Companies;
- (c) the Company obtaining all necessary approvals required under the Listing Rules in connection with the transactions under the Share Transfer Agreement (including the approval by the Shareholders);
- (d) there being no law in effect or otherwise precluding or prohibiting the completion of any transaction contemplated under the Share Transfer Agreement or rendering it illegal or has a material adverse impact on the Purchaser or any of the Target Companies on the Completion Date;
- (e) obtaining all other necessary or appropriate consents and approvals in respect of the Share Transfer Agreement and the transactions contemplated under it;
- (f) the Purchaser having obtained the audited accounts for each of the Target Companies for the period between 1 April and 31 July 2022 to its reasonable satisfaction; and
- (g) none of the Vendor's warranties was discovered (or as the result of the occurrence of any event) to be untrue, incorrect or misleading on the Completion Date.

If any condition has not been satisfied or waived by the Purchaser on or before 2 March 2023 (being 150 days after the date of the Share Transfer Agreement) or such other date as the parties may agree:

- (i) and any condition(s) under (a), (b), (f) or (g) referred to in the above are not satisfied nor waived, then the Purchaser may elect to continue or terminate the Share Transfer Agreement; and
- (ii) in any other case, the Share Transfer Agreement shall lapse (save for the return of the Earnest Money by the Vendor and the confidentiality provisions) and no party shall make any claim against the other in respect thereof, save for any antecedent breach and the return of the Earnest Money.

## **Completion**

Completion shall take place on the Completion Date, being the 10<sup>th</sup> Business Day after the day on which the conditions precedent of the Share Transfer Agreement have been satisfied or waived or such other day as the parties may agree.

## **VALUATION**

According to the preliminary valuation report prepared by the Valuer, the fair value of 100% equity interest in the Target Companies as at 31 July 2022 (“**Valuation Date**”) was approximately HK\$49,704,000. The fair value under the said valuation report was determined using the market approach which reflects market expectations in the corresponding industry as the price multiples of the comparable companies were derived from market consensus.

The comparable companies were selected by the Valuer with reference to the following selection criteria:

- being engaged in principal business similar to that of the Target Companies, i.e. distribution of food products;
- principal activities mainly conducted in Asia or the PRC or Hong Kong;
- being listed on the Stock Exchange; and
- financial information of which being available to the public.

The Valuer has made a number of general assumptions in arriving at the valuation of the Target Companies. The key assumptions adopted include:

- there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Companies; and
- there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, the Valuer assumes no responsibility for changes in market conditions after the Valuation Date.

To the best knowledge, information and belief of the Board and having made all reasonable enquiries, the Valuer is an Independent Third Party. As at the date of this announcement, the Valuer has no shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

The Valuer has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its opinion, advice, letters, reports and/or all references to its name included in this announcement in the form and context in which it appears in this announcement.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in (i) trading business (including the trading of computer and peripheral products and electronics products) and (ii) financial services business.

## **INFORMATION OF THE PURCHASER**

The Purchaser, an indirect wholly-owned subsidiary of the Company, was incorporated in the Hong Kong with limited liability and is principally engaged in investment holding.

## **INFORMATION OF THE TARGET COMPANIES**

The Target Companies are companies incorporated under the laws of the Hong Kong with limited liability. The Target Companies are principally engaged in the trading of frozen food products and the provision of fish processing and preserving services, respectively.

As at the date of the Share Transfer Agreement, the Vendor is the legal and beneficial owner of all the issued shares of the Target Companies.

Set out below is the summary of the key financial data extracted from the audited accounts of the Target Companies for the year ended 31 March 2021 and 31 March 2022:

**For the year ended 31 Mar 2022**

	<i>Shag Mei International Food Limited Audited HK\$'000</i>	<i>Legend International Food Limited Audited HK\$'000</i>
Net profit before taxation	4,270	246
Net profit after taxation	3,554	212

**For the year ended 31 Mar 2021**

	<i>Shag Mei International Food Limited Audited HK\$'000</i>	<i>Legend International Food Limited Audited HK\$'000</i>
Net profit before taxation	4,053	1,163
Net profit after taxation	3,661	1,027

**As at 31 Mar 2022**

	<i>Shag Mei International Food Limited Audited HK\$'000</i>	<i>Legend International Food Limited Audited HK\$'000</i>
Total assets	22,685	932
Net assets	3,351	(419)

**As at 31 Mar 2021**

	<i>Shag Mei International Food Limited Audited HK\$'000</i>	<i>Legend International Food Limited Audited HK\$'000</i>
Total assets	25,253	887
Net assets	6,797	(631)

**INFORMATION OF THE VENDOR**

The Vendor is a merchant resident in Hong Kong. To the best of the Directors' knowledge, as at the date of this announcement, the Vendor holds 47,184,000 Shares, representing approximately 8.97% of the issued Shares of the Company. The Vendor is not a connected person of the Group, and save as aforesaid, is an Independent Third Party of the Company.

## **REASONS FOR THE ACQUISITION**

The Group is principally engaged in (i) trading business (including the trading of computer and peripheral products and electronics products), and (ii) financial services business (including securities brokerage business, advisory services business and money lending business).

The Group has been actively searching for business opportunities to diversify its business with a view to exploit new business opportunities from time to time, to diversify and broaden revenue sources of the Group and to generate tremendous returns and long-term value for Shareholders, increasing Shareholders' return. In view of the financial performance of the Target Companies and the Consideration under the Share Transfer Agreement, the Directors consider that the Acquisition represents a good opportunity for the Group to utilize its available capital to generate returns, enabling the Group to tap into the trading of frozen products for a diversified stream of income.

Further, the Directors consider that the Acquisition will contribute positively to the financial performance and will enlarge and diversify the income sources of the Group. The Directors are of the view that the terms of the Share Transfer Agreement are fair and reasonable and are on normal commercial terms and the entering into of the Share Transfer Agreement is in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the Acquisition concerns an acquisition, and one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but all such percentage ratios are below 100%, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Acquisition will be subject to the approval by the Independent Shareholders at the EGM. The EGM will be held by the Company for the Shareholders to consider, and if thought fit, to pass the resolutions to approve the Share Transfer Agreement and the transactions contemplated thereunder. Pursuant to Rule 2.15 of the Listing Rules, any Shareholder who has a material interest in the Share Transfer Agreement shall abstain from voting to approve the Share Transfer Agreement and the transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, as at the date of this announcement, the Vendor holds 47,184,000 Shares, representing approximately 8.97% of the issued Shares of the Company. The Vendor is not a connected person of the Group, and save as aforesaid, is an Independent Third Party of the Company. Given the Vendor's interest in the Share Transfer Agreement, it is required to abstain from voting in respect of the proposed resolutions for approving the Share Transfer Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, no Shareholder (other than the Vendor) is required to abstain from voting at the EGM.



A circular containing, among other things, further details of the Acquisition and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 25 October 2022.

**Shareholders and potential investors shall note that completion of the Acquisition is subject to the conditions precedent set out in the section headed “*Conditions precedent*” and may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions set out in the Share Transfer Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Hong Kong
“Cash Consideration”	the balance of the Consideration in the amount of HK\$20,000,000 payable to the Vendor upon Completion
“Company”	Huabang Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the transactions contemplated under the Share Transfer Agreement
“Completion Date”	the day that is the 10th Business Day after the day on which the conditions precedent of the Share Transfer Agreement have been satisfied or waived or such other day as the Purchaser and Vendor may agree
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	the total consideration of HK\$25,000,000 for the sale and purchase of the Sale Shares, settled by the payment of (i) the Earnest Money and (ii) the Cash Consideration, to the Vendor

“Director(s)”	the director(s) of the Company
“Earnest Money”	a sum in the amount of HK\$5,000,000 paid to the Vendor by the Purchaser on the date of the Share Transfer Agreement as a part of the Consideration
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Acquisition and the transactions as contemplated under the Share Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders (excluding the Vendor) who are not required to abstain from voting in the relevant resolution(s) to be proposed in the EGM in relation to the Share Transfer Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third parties independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Excel Goal Limited 連創有限公司, a company incorporated under the laws of the Hong Kong with limited liability, and is wholly owned by the Company
“Sale Shares”	10,000 ordinary shares in each of the Target Companies, representing 100% of the issued share capital of the Target Companies as at the date of the Share Transfer Agreement
“Share(s)”	ordinary share(s) of the Company
“Share Transfer Agreement”	the share transfer agreement dated 3 October 2022 entered into between the Purchaser and Vendor in relation to the Acquisition

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Shag Mei International Food Limited 正味國際食品有限公司 and Legend International Food Limited 嶺進國際食品有限公司, companies incorporated under the laws of Hong Kong with limited liability each of which is wholly-owned by the Vendor
“Valuation Date”	31 July 2022, being the date on which the fair value of 100% of equity interest in the Target Companies was assessed by the Valuer
“Valuer”	AVISTA Valuation Advisory Limited, an independent valuer appointed by the Company
“Vendor”	Mr. Lin Ruiping (林瑞平)
“%”	per cent

By order of the Board  
**Huabang Technology Holdings Limited**  
**Liu Qiaosong**  
*Vice Chairman and Executive Director*

Hong Kong, 3 October 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Liu Qiaosong and Mr. Qu Hongqing; and the independent non-executive Directors of the Company are Mr. Loo Hong Shing, Vincent, Mr. Zhu Shouzhong and Mr. Li Huaqiang.*