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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes that every twelve (12) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 947,085,300 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the AGM, upon the Share Consolidation becoming effective, there will be 78,923,775 Consolidated Shares in issue which are fully paid or credited as fully paid.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 12,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 12,000 Existing Shares to 1,000 Consolidated Shares.

Based on the closing price of HK\$0.50 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 12,000 Existing Shares is HK\$6,000; (ii) the value per board lot of 12,000 Consolidated Shares would be HK\$72,000 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 1,000 Consolidated Shares would be HK\$6,000 on the assumption that the Change in Board Lot Size had also become effective.

GENERAL

The Share Consolidation will be considered and, if thought fit, approved at the AGM. A circular containing, among other things, further details of the proposed Share Consolidation, Change in Board Lot Size and the notice convening the AGM is expected to be despatched to the Shareholders on or before Friday, 30 August 2024.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every twelve (12) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, there are 947,085,300 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the AGM, upon the Share Consolidation becoming effective, there will be 78,923,775 Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Thursday, 26 September 2024 subject to the fulfilment of the above conditions.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Other securities of the Company

As at the date of this announcement, there are no outstanding share options granted by the Company under its share option schemes adopted on 21 August 2013 and 28 September 2023, and there are no outstanding share awards granted by the Company under its share award scheme adopted on 14 March 2019.

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

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Based on the closing price of HK\$0.50 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 12,000 Existing Shares is HK\$6,000; (ii) the value per board lot of 12,000 Consolidated Shares would be HK\$72,000 assuming the Share

Consolidation becoming effective; and (iii) the estimated value per board lot of 1,000 Consolidated Shares would be HK\$6,000 on the assumption that the Change in Board Lot Size had also become effective.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

The proposed Share Consolidation will reduce the total number of Shares currently in issue from 947,085,300 Existing Shares as at the date of this announcement to 78,923,775 Consolidated Shares immediately after the Share Consolidation becoming effective and assuming that no Shares will be issued or repurchased from the date of this announcement till the effective date of the Share Consolidation.

Based on the closing price of HK\$0.50 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the theoretical market price per Consolidated Share after the Share Consolidation becoming effective would be HK\$6.00 per Consolidated Share. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

The Board believes that the corresponding upward adjustment in the trading price of the Consolidated Shares that the Share Consolidation brings about will attract a broader range of institutional and professional investors, thereby optimising the Shareholder base and improving the value of the Shares in the long run. The Board believes that when institutional and professional investors decide whether or not to invest in a particular company, they tend to consider, among other factors, the stability of the share price performance of the company and how it compares with its peers in the particular industry or sector. By aligning the share price level of the Company with its industry peers, the Board believes that such upward adjustment will create a positive corporate image for the Company in comparison to its peers when being assessed by potential investors.

Furthermore, the Company is of the view that the new board lot size will minimise the creation of odd lots and the impact of odd lots on Shareholders (if any). With a higher trading price in respect of the Consolidated Shares, the Company considers that the Change in Board Lot Size would achieve a reasonable level of overall transaction and handling costs of dealings in each board lot of the Consolidated Shares for members of the investing public, and would improve the liquidity of the Consolidated Shares.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account of the potential benefits and the insubstantial amount of costs to be incurred, the Board is of the view that the Share Consolidation is in the best interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size.

The Board will not rule out the possibility of undergoing any fundraising activities, e.g, placing and/or subscription of shares, which the Board may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development of the Group in the next twelve months. However, the Company does not have any concrete plan as the date of the announcement. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Thursday, 26 September 2024, Shareholders may on or after 9:00 a.m. on Thursday, 26 September 2024 and until 4:00 p.m. on Tuesday, 5 November 2024 (both days inclusive), submit their existing share certificates in green colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for share certificates in gold colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar for exchange of share certificates.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Friday, 1 November 2024, trading will only be in Consolidated Shares which share certificates will be issued in gold colour. Existing share certificates in green colour for the Existing Shares will cease to be valid for delivery, trading and settlement purposes, but will remain valid and effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the AGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

	2024
Despatch date of circular with notice of the AGM	on or before Friday, 30 August
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the AGM	4:30 p.m. on Tuesday, 17 September
Register of members closes (both days inclusive)	Thursday, 19 September to Tuesday, 24 September
Latest time for lodging forms of proxy for the AGM	11:00 a.m. on Sunday, 22 September
Record date for attendance and voting at the AGM	Tuesday, 24 September
Date and time of the AGM	11:00 a.m. on Tuesday, 24 September
Publication of the announcement of the results of the AGM	Tuesday, 24 September

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation	Thursday, 26 September
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	9:00 a.m. on Thursday, 26 September
Dealing in the Consolidated Shares commences	9:00 a.m. on Thursday, 26 September
Original counter for trading in the Existing Shares in board lots of 12,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 26 September
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 26 September
Original counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens	9:00 a.m. on Monday, 14 October
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Monday, 14 October
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Monday, 14 October
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Friday, 1 November
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 1 November

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends	4:10 p.m. on Friday, 1 November
Last day of free exchange of existing share certificates for new share certificates for Consolidated Shares	4:00 p.m. on Tuesday, 5 November

GENERAL

The Share Consolidation will be considered and, if thought fit, approved at the AGM. A circular containing, among other things, further details of the proposed Share Consolidation, Change in Board Lot Size and the notice convening the AGM is expected to be despatched to the Shareholders on or before Friday, 30 August 2024.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 12,000 Existing Shares to 1,000 Consolidated Shares
“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 Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company after the Share Consolidation becoming effective

“Director(s)”	director(s) of the Company
“AGM”	the annual general meeting of the Company to be held to consider the ordinary resolution to be proposed to approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of approximately HK\$0.008333 each in the existing share capital of the Company before the Share Consolidation becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Consolidation”	the proposed consolidation of every twelve (12) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Huabang Technology Holdings Limited
Cheung Lit Wan Kenneth
Chairman and Executive Director

Hong Kong, 23 August 2024

As at the date of this announcement, the executive Directors are Mr. Cheung Lit Wan Kenneth, Mr. Chan Wing Sum, Ms. Luo Ying 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.