

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.



(incorporated in Cayman Islands with limited liability)

(Stock code: 8331)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF PROPERTY

THE ACQUISITION

On 28 April 2022, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Property Purchase Agreement with the Vendor, pursuant to which, subject to the terms and conditions of the Property Purchase Agreement, the Purchaser agreed to purchase and Vendor agreed to sell the Property for a consideration of HK\$2,980,000.

GEM LISTING RULES IMPLICATIONS

At the material time when the Property Purchase Agreement was entered into, given that the highest applicable percentage ratio in respect of the transaction contemplated under the Property Purchase Agreement is greater than 5% but less than 25%, as calculated under Rule 19.07 of the GEM Listing Rules, the transaction contemplated under the Property Purchase Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of the Property Purchase Agreement, the Property is owned by Dr. Chan Man Fung. As Dr. Chan Man Fung is an executive Director, co-chairman and controlling shareholder of the Company and accordingly is a connected person of the Company, the Acquisition also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios in respect of the Acquisition are less than 25% and the total consideration for the Acquisition is less than HK\$10,000,000, the Acquisition is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

However, due to inadvertent oversight by management of the Company in the computation of size tests, the Acquisition has not been notified and announced by the Company in a timely manner in accordance with Rule 20.33 of the GEM Listing Rules which constituted breaches of Chapter 20 of the GEM Listing Rules at the material time.

THE ACQUISITION

On 28 April 2022, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Property Purchase Agreement with the Vendor, pursuant to which, subject to the terms and conditions of the Property Purchase Agreement, the Purchaser agreed to purchase and Vendor agreed to sell the Property for a consideration of HK\$2,980,000.

PROPERTY PURCHASE AGREEMENT

The key terms of the Property Purchase Agreement are summarised as follows:

Date of agreement: 28 April 2022

Parties: (1) P. B. Two (Hong Kong) Limited, as the Purchaser; and
(2) Dr. Chan Man Fung, as the Vendor

Nature of transaction: Pursuant to the Property Purchase Agreement, the Purchaser agreed to purchase and Vendor agreed to sell the Property, subject to the terms and conditions of the Property Purchase Agreement.

The Property: The Property is located in Workshop 2 on 14th Floor of Block C, Delya Industrial Centre, No.7 Shek Pai Tau Road, Tuen Mun, New Territories, Hong Kong. It comprises business premises with a gross floor area of approximately 875 sq.ft. As at the date of signing the Property Purchase Agreement, the Property was wholly-owned by the Vendor, it is leased to an Independent Third Party as a warehouse with a monthly rental of HK\$8,100 for a term up to 30 June 2023. The Vendor acquired the Property in April 2012, the acquisition cost of the Property by the Vendor was approximately HK\$1.16 million.

Consideration and payment terms: The Consideration is HK\$2,980,000, which shall be paid by the Purchaser to the Vendor upon signing of the Property Purchase Agreement.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to the average price per sq. ft. of the comparable properties in nearby locations of the Property with similar size. The payment of the Consideration will be financed by internal resources of the Group.

Completion: Completion shall take place on or before 30 May 2022.

Completion was taken place on 30 May 2022.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) bentonite mining; (ii) the production and sales of drilling mud and pelletising clay; and (iii) financial service business, including money lending business and wealth management services in Hong Kong as well as generating financial guarantee fee income in the PRC. The Group has been exploring investment opportunities from time to time with an aim to enhance the interests of the Company and the Shareholders as a whole.

The Group intends to hold the Property for investment purpose to receive rental income. Taking into account the location of the Property and the existing tenancy, the Group believes that the Acquisition offers the Group an appealing property investment opportunity for capital appreciation and stable rental income in the future,

In view of the aforesaid, the Directors (including the independent non-executive Directors) are of view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP AND PURCHASER

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. The Group is principally engaged in (i) bentonite mining; (ii) the production and sales of drilling mud and pelletising clay; and (iii) financial service business, including money lending business and wealth management services in Hong Kong as well as generating financial guarantee fee income in the PRC. The Purchaser, a wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong limited liability and is principally engaging in investment holdings.

INFORMATION ON THE VENDOR

The Vendor is Dr. Chan Man Fung. Dr. Chan Man Fung is the Co-chairman, an executive Director and controlling shareholder of the Company. Dr. Chan personally holds 6,682,000 Shares. In addition, Dr. Chan holds 50% interest in P.B. Asia Holdings Limited which holds 80,925,690 Shares. By virtue of the SFO, Dr. Chan is interested and deemed to be interested in 87,607,690 Shares, representing 55.06% of the issued share capital of the Company.

GEM LISTING RULES IMPLICATIONS

At the material time when the Property Purchase Agreement was entered into, given that the highest applicable percentage ratio in respect of the transaction contemplated under the Property Purchase Agreement is greater than 5% but less than 25%, as calculated under Rule 19.07 of the GEM Listing Rules, the transaction contemplated under the Property Purchase Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of Property Purchase Agreement, the Property is owned by Dr. Chan Man Fung. As Dr. Chan Man Fung is an executive Director, co-chairman and controlling shareholder of the Company and accordingly is a connected person of the Company, the Acquisition also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios in respect of the Acquisition are less than 25% and the total consideration for the Acquisition is less than HK\$10,000,000, the Acquisition is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Dr. Chan Man Fung is considered to have a material interest in the Acquisition and therefore has abstained from voting on the resolutions in relation to the Property Purchase Agreement proposed to the Board. Save as disclosed above, none of the Directors who attended the Board meeting has a material interest nor is required to abstain from voting in respect of the relevant Board resolutions.

However, due to inadvertent oversight by management of the Company in the computation of size tests, the Acquisition has not been notified and announced by the Company in a timely manner in accordance with Rule 20.33 of the GEM Listing Rules which constituted breaches of Chapter 20 of the GEM Listing Rules at the material time.

REMEDIAL ACTIONS

While the possible non-compliance with the GEM Listing Rules was inadvertent and unintentional, to prevent similar incident from occurring in the future, the Company has implemented the following remedial measures:

- (1) the Company will provide further guidance material and training, in particular, regarding the proper calculation of percentage ratios relating to notifiable transactions under the GEM Listing Rules for the Directors and relevant staff members of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable transactions;
- (2) the Company will enhance its internal control, the management of the Company is designated to review and monitor the notifiable transactions, instead of letting the prepare and review of the notifiable transaction be conducted by one single department;
- (3) seeking legal advice and other professional advice from time to time to ensure proper disclosure in compliance with the requirements of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“Acquisition”	the acquisition of the Property from the Vendor by the Purchaser pursuant to the Property Purchase Agreement
“Board”	the board of Directors
“Company”	P.B. Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8331)
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Chan”	Dr. Chan Man Fung, the Co-chairman of the Company and an executive Director
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party and if applicable, the ultimate beneficial owner(s) of the party who is/are not the Group’s connected person(s)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	Workshop 2 on 14th Floor of Block C, Delya Industrial Centre, No.7 Shek Pai Tau Road, Tuen Mun, New Territories, Hong Kong
“Property Purchase Agreement”	the property purchase agreement dated 28 April 2022 entered into between the Company and the Vendor in relation to the Acquisition
“Purchaser”	P. B. Two (Hong Kong) Limited, a wholly-owned subsidiary of the Company established in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 in the share capital of the Company

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Dr. Chan Man Fung, the Co-chairman of the Company and an executive Director
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By order of the Board
P.B. Group Limited
Chik Wai Chun
Company Secretary

Hong Kong, 24 August 2022

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Dr. CHAN Man Fung (Co-chairman), Mr. PUI Wai Lun (Co-chairman), Mr. SU Chun Xiang and Mr. PANG Ho Yin; and (ii) two independent non-executive Directors, namely Mr. YIP Chong Ho Eric and Mr. CHOW Chi Hang Tony.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.thepbg.com.