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Shanyu Group Holdings Company Limited
善裕集團控股有限公司

(Formerly known as Zhao Xian Business Ecology International Holdings Limited 照現生態國際控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8245)

**DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF MACHINES**

THE ACQUISITION

The Board announces that on 31 October, 2023, World Smart Company Limited, a wholly-owned subsidiary of the Company, entered into the Purchase and Sale Contract with the Vendor, in relation to the acquisition of the Machines for a Consideration of US\$ 434,000 (equivalent to approximately HK\$3,377,000). The Consideration was determined after arm's length negotiation between the parties and on normal commercial terms taking into account the prevailing market prices of other machines of similar specifications.

GEM LISTING RULES IMPLICATIONS

As the highest percentage ratio under the GEM Listing Rules exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

On 31 October 2023 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, for the acquisition of the Machines at the Consideration of US\$434,000 (equivalent to HK\$3,377,000).

THE AGREEMENT

Date: 31 October 2023

Parties involved: (i) Purchaser: World Smart Company Limited, a wholly owned subsidiary of the Company

(ii) Vendor: The China Engineers Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons

Asset to be acquired: The Machines, being two units of marine engine (Model: Caterpillar C18 ACERT Marine Engine).

Consideration: The consideration for the Acquisition is US\$434,000 (equivalent to approximately HKD3,377,000) which will be satisfied by cash. The payment terms are as follows:

- (1) 20% of the consideration, being US\$86,800 (equivalent to approximately HK\$676,000) (the "Deposit") shall be payable within 15 days after the Agreement is signed; and
- (2) 80% of the consideration, being US\$347,200 (equivalent to approximately HK\$2,701,000) shall be payable at least 15 days before delivery.

The consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the prevailing market prices of other machines of similar specifications. The consideration will be funded by the Group's internal resources.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in trading business. The Vendor is an independent sale agent of Caterpillar, one of the world's largest earthmoving machinery and mining machinery manufacturers and a major power equipment supplier.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the trading and manufacturing of two-way radios, other communicating devices and servicing business of the above products.

The Company has been actively looking for business opportunities to diversify the income source of the Group. The Machines was acquired for trading purpose. The Company has extensive connections with the boat building industry and shipyards in China and is familiar with the boating markets. The demands for boats and marine engines have remained strong after the pandemic and manufacturers are poised to raise the prices for marine engines in the coming year. The Company considers that the Machines have a high demand among shipyards in China and saw this as an opportunity to capture the profit from disposing the Machines in due course.

The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and the Acquisition of Machines is in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

“Acquisition”	the acquisition of the Machines by the Purchaser from the Vendor pursuant to the terms of the Agreement
“Agreement”	the agreement entered into between the Vendor and the Purchaser on 31 October 2023 (after trading hours) for the sale and purchase of the Machines
“Board”	the board of Directors
“Company”	Shanyu Group Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM of the Stock Exchange (Stock Code: 8245)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited

“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
“Machines”	two units of marine engines, specifications of which as detailed in the Agreement
“Purchaser”	World Smart Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	The China Engineers Limited, a company incorporated in Hong Kong with limited liability
“US\$”	United States dollars, the lawful currency of The United States of America

For illustration purposes in this announcement, the amounts in US\$ were translated into HK\$ at the rate of US\$1 = HK\$7.78. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
Shanyu Group Holdings Company Limited
Wong Ming Kwan Victoria
Executive Director

Hong Kong, 1 November 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yeung Shing Wai, Ms. Wong Ming Kwan Victoria and Ms. Zhu Yuanyan; and three independent non-executive Directors, namely Mr. Choi Pun Lap, Ms. Ip Sin Nam and Mr. Yu Lap Pan.

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 Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.shanyugroup.com.