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HANG PIN LIVING TECHNOLOGY COMPANY LIMITED
杭品生活科技股份有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1682)

**POSSIBLE MAJOR TRANSACTION –
MANDATE FOR DISPOSAL OF LISTED SECURITIES
AND
SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022**

THE POSSIBLE DISPOSAL(S) AND THE DISPOSAL MANDATE

The Company proposed to seek approval for the Disposal Mandate from the Shareholders at the SGM in advance to allow the Directors to dispose of its current holding of CNOOC Shares as at the date of this announcement, during the Mandate Period.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that all 1,300,000 CNOOC Shares held by the Group will have been disposed of within the Mandate Period at HK\$9.51 per CNOOC Share, the closing price of CNOOC Share as at the trading day immediately before the date of this announcement, one or more of the applicable percentage ratios of the Possible Disposal(s) when aggregated with the Previous Disposals and conducted within 12 months of the previous 12-month period from the relevant Previous Disposal will exceed 25% but less than 75%, the Possible Disposal(s) may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the SGM.

The Company will seek the approval of the Shareholders at the SGM for the Disposal Mandate and the Possible Disposal(s) to allow the Company to dispose of up to 1,300,000 CNOOC Shares held by the Group during the Mandate Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Disposal Mandate and the Possible Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the SGM.

The Company will despatch the circular containing, among others, (i) further details of the Disposal Mandate and the Possible Disposal(s), and (ii) the notice of SGM as soon as possible in compliance with the Listing Rules.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Further to the information disclosed in the 2022 Annual Report, the Company wishes to provide the Shareholders and the potential investors with the following supplementary information in relation to the impairment loss on the amount due from a former subsidiary.

Actions to be taken by the Company

The original amount due to the Group by Best Keen, a former subsidiary, amounted to approximately HK\$8.5 million. As at the date of this announcement, Best Keen has settled approximately HK\$2.4 million of the amounts due to the Group and the balance of amount owed by Best Keen amounted to approximately HK\$6.1 million.

Despite Best Keen has pledged the equity securities of a company listed on the TSX Venture Exchange (the “**Pledged Shares**”), the Company preferred not to exercise the pledge of the Pledged Shares as the stock price of the subject company has dropped substantially since the Pledged Shares were pledged. Moreover, the trading volume of the subject company was very thin and such low liquidity would require the Company to sell at an even deeper discount than the prevailing market price. Accordingly, the Company resolved not to exercise the pledge of the Pledged Shares and has no current plan to exercise the pledge of the Pledged Shares in the near future. The Company considers that potential settlement with Best Keen will offer better terms than exercising the pledge of the Pledged Shares at a deep discount, which is in the interests of the Company and the Shareholders as a whole. However, the Company will review whether and when to exercise the pledge of the Pledged Shares from time to time and will take into account all the circumstances (such as the market sentiment and the prevailing market price of the Pledged Shares). The Group is in the course of negotiation with Best Keen on the repayment schedule but no consensus has been reached between the Group and Best Keen. The Company is also considering to issue legal letter to Best Keen if they do not provide a repayment schedule.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

THE POSSIBLE DISPOSAL(S) AND THE DISPOSAL MANDATE

References are made to the announcements of the Company dated (i) 28 September 2021 in relation to the disposal of the First Batch Disposed Shares; (ii) 25 February 2022 in relation to the disposal of the Second Batch Disposed Shares; and (iii) 22 March 2022 in relation to the disposal of the Third Batch Disposed Shares.

The Seller, an indirect wholly-owned subsidiary of the Company, has disposed of an aggregate of 1,700,000 CNOOC Shares, representing the sum of the First Batch Disposed Shares, the Second Batch Disposed Shares and the Third Batch Disposed Shares during the 12-month period immediately preceding the date of this announcement, which constituted discloseable transactions of the Company under the Listing Rules. As at the date of this announcement, the Seller held 1,300,000 CNOOC Shares, representing approximately 0.0027% of the total issued share capital of CNOOC. The Group intends to further dispose of up to its current holding of CNOOC Shares through the open market based on the prevailing market conditions and the actual consideration for the Possible Disposal(s) will be the market price of the CNOOC Share at the respective date(s) of disposal.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of CNOOC Shares. In order to allow flexibility in effecting future disposal(s) of CNOOC Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Disposal Mandate from the Shareholders at the SGM in advance to allow the Directors to dispose of its current holding of CNOOC Shares at the date of this announcement, during the Mandate Period.

As the Possible Disposals will be made through the open market, the Company will not be aware of the identities of the buyers of such CNOOC Shares and it is expected that the buyer(s) of such CNOOC Shares will be Independent Third Party(ies).

Details of the Disposal Mandate

1. Mandate Period

The Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of passing of the relevant ordinary resolution at the SGM, which provides sufficient time and flexibility for the Possible Disposals.

2. Maximum number of CNOOC Shares to be disposed

The Disposal Mandate shall authorise and empower the Board to sell up to 1,300,000 CNOOC Shares held by the Group, representing approximately 0.0027% of the total issued share capital of CNOOC as at the date of this announcement.

3. Scope of Authority

The Directors(s) shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Possible Disposal(s), including but not limited to (i) the number of batches of Possible Disposal(s), (ii) the number of CNOOC Shares to be sold in each Possible Disposal, and (iii) the timing of each Possible Disposal.

4. *Manner of Possible Disposal(s)*

The Possible Disposal(s) shall be conducted in the open market on the Stock Exchange through the trading system of the Stock Exchange and will only be effected if:

- (i) the selling price of each CNOOC Share shall be based on the prevailing market price of CNOOC Shares at the time of making the Possible Disposal(s) but will not be less than the Minimum Selling Price of HK\$6.929 per CNOOC Share; and
- (ii) all of the percentage ratios under the Listing Rules for the disposal of CNOOC Shares are below 75%.

5. *Compliance*

The Possible Disposal(s) shall comply with relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong. The Group will also report on the progress of the Possible Disposal(s) in the interim report as well as annual report of the Company in compliance with the Listing Rules.

The Company will re-comply with the Listing Rules requirements and seek another shareholders' approval for the Possible Disposal(s) in the event that the Possible Disposal(s) cannot be completed within the Disposal Mandate.

6. *The Minimum Selling Price*

The Minimum Selling Price of HK\$6.929 per CNOOC Share represents:

- (i) A discount of approximately 27.1% to the closing price of HK\$9.51 per CNOOC Share as quoted on the Stock Exchange as at the trading day immediately before the date of this announcement; and
- (ii) A discount of approximately 41.0% over the net asset value per CNOOC Share of approximately HK\$11.74 per CNOOC Share, which is obtained by dividing the audited net asset value of CNOOC of approximately RMB481,976 million (equivalent to approximately HK\$559,396 million) as at 31 December 2021 by 47,637,455,984 CNOOC Shares in issue as at the date of this announcement.

As set out in “4. Manner of Possible Disposal(s)” above, the Possible Disposal(s) will be made at prevailing market prices of CNOOC Shares on the open market, and the Minimum Selling Price only reflects the lowest acceptable selling price per CNOOC Share and is not reflective of the final selling price per CNOOC Share in any Possible Disposal(s).

The Minimum Selling Price was determined with reference to (i) the historical market price of CNOOC Shares in the past 12 months immediately before the date of this announcement; and (ii) the prevailing market conditions and the uncertainty of global economy in light of the COVID-19 outbreak.

Based on the closing price per CNOOC Share in the past 12 months immediately before the date of this announcement, the highest closing price is HK\$11.42 and the lowest closing price is HK\$6.929 and the average closing price is approximately HK\$8.66. Using the average of the five trading days closing price of CNOOC Shares of approximately HK\$9.72 per CNOOC Share immediately before the date of this announcement, the Minimum Selling Price of HK\$6.929 is set at approximately 28.7% discount to the average of the five trading days closing price of CNOOC Shares.

The Directors consider that the Minimum Selling Price will safeguard the interests of the Company that the CNOOC Shares would not be disposed at a significant discount. Whilst the Company will exercise its endeavours to dispose of the CNOOC Shares at the best available price to the Company, it is necessary for the Disposal Mandate to maintain flexibility. For instance, in the event that the market sentiment and the global economy are not favourable, there would be circumstances that the Company may have to dispose the CNOOC Shares at a discount to the previous market price. The Minimum Selling Price has taken into consideration of market fluctuations and the disposal(s) of the CNOOC Shares under the Disposal Mandate shall be subject to approval by at least one of the executive Directors of the Company to ensure that each Possible Disposal would be at the best available price to the Company as at the time of the relevant disposal. As such, the Company considers that the terms of the Disposal Mandate, including the Minimum Selling Price, are fair and reasonable so far as the Company and Shareholders are concerned.

INFORMATION OF CNOOC

CNOOC is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Hong Kong Stock Exchange (stock code: 883) and whose RMB ordinary shares (A shares) are listed on the Shanghai Stock Exchange (stock code: 600938). CNOOC Group is the largest producer of offshore crude oil and natural gas in China and one of the largest independent oil and gas exploration and production companies in the world, principally engaging in the exploration, development, production and sale of crude oil and natural gas.

Set out below is a summary of certain audited consolidated financial information of CNOOC for the two financial years ended 31 December 2021 respectively as extracted from the annual report of CNOOC published on 12 April 2022:

	For the year ended 31 December 2020	For the year ended 31 December 2021
	<i>RMB million</i>	<i>RMB million</i>
	(audited)	(audited)
Revenue	155,372	246,111
Profit before taxation	34,907	95,821
Profit for the year	24,956	70,307

Based on the annual report of CNOOC published on 12 April 2022, the audited net asset value of CNOOC as at 31 December 2021 is approximately RMB481,976 million.

INFORMATION OF THE GROUP AND THE SELLER

The Company is a limited company incorporated in Bermuda and is an investment holding company. The Group is principally engaged in (i) the garment sourcing business and (ii) the provision of financial services.

The Seller is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

REASONS FOR AND BENEFITS OF THE DISPOSAL MANDATE AND THE POSSIBLE DISPOSAL(S)

The Possible Disposal(s) provides the Group with an opportunity to realise its investment in CNOOC.

The Possible Disposal(s) will provide the Group with an opportunity to realise its investment in CNOOC. Assuming that all 1,300,000 CNOOC Shares held by the Group will have been disposed of within the Mandate Period at HK\$9.51 per CNOOC Share, the closing price of CNOOC Share as at the trading day immediately before the date of this announcement, the Group is expected to receive the proceeds of HK\$12.4 million and recognise a gain of approximately HK\$56,000, being the difference between the total consideration to be received from the Possible Disposal(s) and the aggregate costs of the relevant CNOOC Shares, which is calculated on the basis of the average acquisition cost of the relevant CNOOC Shares acquired over the last 12 months as at the date of this announcement. The Group considers the Possible Disposal(s) will enhance the liquidity of the Company. The Group intends to use the proceeds from the Possible Disposal(s) for general working capital.

To allow flexibility in effecting future disposal(s) of CNOOC Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Board proposes to seek approval for the Disposal Mandate and the Possible Disposal(s) from the Shareholders at the SGM in advance to allow the Directors to dispose of CNOOC Shares during the Mandate Period.

As the Possible Disposal(s) will be made at prevailing market price and on the open market of the Stock Exchange, the Directors considered that the terms of the Possible Disposal(s) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that all 1,300,000 CNOOC Shares held by the Group will have been disposed of within the Mandate Period at HK\$9.51 per CNOOC Share, the closing price of CNOOC Share as at the trading day immediately before the date of this announcement, one or more of the applicable percentage ratios of the Possible Disposal(s) when aggregated with the Previous Disposals and conducted within 12 months of the previous 12-month period from the relevant Previous Disposal will exceed 25% but less than 75%, the Possible Disposal(s) may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the SGM.

The Company will seek the approval of the Shareholders at the SGM for the Disposal Mandate and the Possible Disposal(s) to allow the Company to dispose of up to 1,300,000 CNOOC Shares held by the Group during the Mandate Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Disposal Mandate and the Possible Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the SGM.

The Company will despatch the circular containing, among others, (i) further details of the Disposal Mandate and the Possible Disposal(s), and (ii) the notice of SGM as soon as possible in compliance with the Listing Rules.

There is no assurance that the Company will proceed with the Possible Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Possible Disposal(s) or not will depend on various factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Possible Disposal(s). Shareholders and potential investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares and securities of the Company.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reference is made to note 19 to the consolidated financial statements and the paragraph headed “Report of the Directors – Other disclosure – Impairment loss on amount due from a former subsidiary” in the 2022 Annual Report. Unless otherwise defined in this announcement or the context requires, capitalised terms used herein shall have the same meanings as those defined in the 2022 Annual Report. Further to the information disclosed in the 2022 Annual Report, the Company wishes to provide the Shareholders and the potential investors with the following supplementary information in relation to the impairment loss on the amount due from a former subsidiary.

Actions to be taken by the Company

The original amount due to the Group by Best Keen, a former subsidiary, amounted to approximately HK\$8.5 million. As at the date of this announcement, Best Keen has settled approximately HK\$2.4 million of the amounts due to the Group and the balance of amount owed by Best Keen amounted to approximately HK\$6.1 million.

Despite Best Keen has pledged the equity securities of a company listed on the TSX Venture Exchange (the “**Pledged Shares**”), the Company preferred not to exercise the pledge of the Pledged Shares as the stock price of the subject company has dropped substantially since the Pledged Shares were pledged. Moreover, the trading volume of the subject company was very thin and such low liquidity would require the Company to sell at an even deeper discount than the prevailing market price. Accordingly, the Company resolved not to exercise the pledge of the Pledged Shares and has no current plan to exercise the pledge of the Pledged Shares in the near future. The Company considers that potential settlement with Best Keen will offer better terms than exercising the pledge of the Pledged Shares at a deep discount, which is in the interests of the Company and the Shareholders as a whole. However, the Company will review whether and when to exercise the pledge of the Pledged Shares from time to time and will take into account all the circumstances (such as the market sentiment and the prevailing market price of the Pledged Shares). The Group is in the course of negotiation with Best Keen on the repayment schedule but no consensus has been reached between the Group and Best Keen. The Company is also considering to issue legal letter to Best Keen if they do not provide a repayment schedule.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

DEFINITIONS

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

“2022 Annual Report”	the annual report of the Group for the year ended 31 March 2022
“Board”	the board of Directors
“CNOOC”	CNOOC Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Hong Kong Stock Exchange (stock code: 0883) and whose RMB ordinary shares (A shares) are listed on the Shanghai Stock Exchange (stock code: 600938)
“CNOOC Group”	CNOOC and its subsidiaries
“CNOOC Shares”	ordinary share(s) of CNOOC
“Company”	Hang Pin Living Technology Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal Mandate”	the general and conditional mandate to be granted by the Shareholders to the Company at the SGM for the Possible Disposal(s)
“First Batch Disposed Shares”	700,000 CNOOC Shares disposed of by the Seller during the period from 27 September 2021 to 28 September 2021, details of which are disclosed in the announcement of the Company dated 28 September 2021
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates (within the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Period”	the 12-month period from the date of passing of the relevant resolution approving the Disposal Mandate and the Possible Disposal(s) at the SGM
“Minimum Selling Price”	HK\$6.929 (exclusive of the transaction costs) per CNOOC Share, which represented the lowest closing price of CNOOC Shares in the past 12 months immediately before the date of this announcement
“Possible Disposal(s)”	Any on-market disposal(s) of up to 1,300,000 CNOOC Shares by the Group pursuant to the terms of the Disposal Mandate
“PRC”	The People’s Republic of China
“Previous Disposals”	the disposal of a total of 1,700,000 CNOOC Shares by the Seller as disclosed in the announcements of the Company dated 28 September 2021, 25 February 2022 and 22 March 2022
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Second Batch Disposed Shares”	500,000 CNOOC Shares disposed of by the Seller on 24 February 2022, details of which are disclosed in the announcement of the Company dated 25 February 2022
“Seller”	Sino Insurance Brokers Group Limited, a company incorporated in Hong Kong with limited liability, and is an indirect wholly-owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be convened to consider, among others, the Disposal Mandate and the Possible Disposals contemplated thereunder

“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Batch Disposed Shares”	500,000 CNOOC Shares disposed of by the Seller during the period from 11 March 2022 to 21 March 2022 (both days inclusive), details of which are disclosed in the announcement of the Company dated 22 March 2022
“%”	per cent.

For the purpose of this announcement, translation of Renminbi yuan into Hong Kong dollars is based on the exchange rate of HK\$1 = RMB0.8616.

On behalf of the Board
Hang Pin Living Technology Company Limited
Lam Kai Yeung
Chief Executive Officer & Executive Director

Hong Kong, 8 August 2022

As at the date of this announcement, the Board comprises Mr. Lam Kai Yeung and Mr. Situ Shilun as executive Directors, Dr. Lam Lee G, Mr. Chan Kin and Mr. Chau Chi Yan Benny as independent non-executive Directors.