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**Trendzon Holdings Group Limited**

**卓航控股集團有限公司**

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

**(Stock Code: 1865)**

**VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ENTERING  
INTO OF THE CAPITAL INCREASE AGREEMENT FOR  
THE CONSTRUCTION OF INDUSTRIAL PARK**

**CAPITAL INCREASE AGREEMENT**

The Board is pleased to announce that, on 9 August 2022, Trendzon Guangzhou (a wholly-owned subsidiary of the Company) and the JV Company entered into the Capital Increase Agreement with the JV Partner, pursuant to which the JV Partner agreed to subscribe for new capital in the JV Company in the aggregate amount of RMB9.8 million.

In order to support the development of the Company and push forward the construction of the industrial park (the “**Trendzon Diandian Science and Technology Innovation City**”) of the Company, the JV Partner plans to provide investment loans of up to HK\$300 million to the JV Company or its subsidiaries in accordance with the future development plan and capital requirements of the JV Company or its subsidiaries for the payment of the construction cost of the first phase of the Project.

Upon completion of the Capital Increase, the total controlling equity interests by the Company in the JV Company will be diluted from 100% to 51%. The JV Company will remain as a subsidiary of the Group.

**LISTING RULES IMPLICATION**

As each of the applicable percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in respect of the Capital Increase is below 5%, the entering into of the Capital Increase Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis for the information of the Shareholders and potential investors of the Company.

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## **INFORMATION ON THE JV GROUP**

The JV Company is a limited liability company established in the PRC on 16 June 2021 and is principally engaged in corporate management consulting business, corporate headquarters management, financial consulting, investment activities with own funds, real estate consulting, non-residential real estate leasing, real estate appraisal, corporate management, property management, real estate development and operation and securities investment consulting. The JV Company is an indirectly wholly-owned subsidiary of the Company as at the date of this announcement. Upon completion of the Capital Increase, the JV Company will be owned as to 51% by Trendzon Guangzhou and 49% by the JV Partner.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is an investment holding company. The Group is principally engaged in (i) infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services; and (ii) trading of building materials. Trendzon Guangzhou is a limited liability company established in the PRC in June 2021 and is wholly-owned by the Company. Its business scope includes integrated circuit chip design and services, security technology prevention system design and construction services, industrial design services, planning and design management, financing consulting services, environmental consulting services, social and economic consulting services, information technology consulting services, graphic design, professional design services, advertising design and agency, investment activities with own funds, engineering and technology services, project planning and public relations services, engineering and technology research and experimental development, foreign contracting works, engineering management services.

## **JV Partner**

The JV Partner is a limited liability company established in the PRC on 17 March 2022 which is directly owned by Hainan Zhongbei and Ms. Li Hong. Hainan Zhongbei is a limited liability company established in the PRC on 22 June 2022 which is owned by Mr. Peng Wenliang and by Mr. Wang Pengpeng. The JV Partner is principally engaged in the private equity investment fund management and venture capital fund management services. Hainan Zhongbei is principally engaged in venture capital investment, investment activities and asset management services with its own funds, information consulting services, business management and financing consulting services. The JV Group has abundant market resources, a dedicated business team as well as an advanced management model. The development goal of the JV Partner is to become a large international institutional investor that is stable, professional, responsible and reputable.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ultimate beneficial owners of the JV Partner are Mr. Peng Wenliang, Mr. Wang Pengpeng and Ms. Li Hong, and each of the JV Partner is a third party independent of and not connected with the Company and its connected persons.

## **REASONS FOR THE CAPITAL INCREASE AGREEMENT**

The Project Company participates in the design and construction of a smart manufacturing equipment and new high-tech industrial park located in Banfu, Zhongshan, Guangdong Province (the “**Trendzon Diandian Science and Technology Innovation City**”). The JV Company and the JV Partner highly recognises that the Group made its investment in the Trendzon Diandian Science and Technology Innovation City in Banfu, Zhongshan, Guangdong Province as a showcase park and is committed to building a comprehensive operation platform for Hundred Cities Industrial Alliance# (百城產業聯盟) based on the industrial real estate. The platform will upgrade regional industries across the nation and create a Hundred Cities Industrial Cluster Park# (百城產業集群化園區). Meanwhile, it will share the products of the Hundred Cities Industrial Park# (百城產業園) so as to form a product alliance, establish a mutual supply and demand relationship, and transport the products in the shared product base to the B-end at the same time, creating an industrial alliance model of production plus channel integration. The JV Company and the JV Partner will build technological and living industry clusters through powerful operational capabilities, continuously provide integrated solutions for sustainable development in the region, and form a large pattern of coordinated development of industries in Hundred Cities as a final goal.

The Directors consider that the Capital Increase is necessary in view of the need to push forward with the first phase construction of the Project. The Capital Increase Agreement is entered into on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT ON THE GROUP**

Upon completion of the Capital Increase, the total controlling equity interests by the Company in the JV Company will be diluted from 100% to 51% and the JV Company will remain as a subsidiary of the Group. Therefore, the operating results and financial conditions of the JV Company will continue to be included in the consolidated financial statements of the Group. As the impact of the Capital Increase will not result in the Group's loss of control over the JV Company, the deemed disposal caused by the Capital Increase will be recognized as an equity transaction, and will not have any material impact on the consolidated profit of the current period.

## **LISTING RULES IMPLICATION**

As each of the applicable percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") in respect of the Capital Increase is below 5%, the entering into of the Capital Increase Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis for the information of the Shareholders and potential investors of the Company.

## **DEFINITIONS**

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

"Board"	the board of Directors
"Capital Increase"	the subscription of new share capital in the JV Company by the JV Partner
"Capital Increase Agreement"	the Capital Increase Agreement dated 9 August 2022 and entered into among Trendzon Guangzhou, the JV Company and the JV Partner in relation to the Capital Increase
"Company"	Trendzon Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1865)
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Directors"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time

“Hainan Zhongbei”	Hainan Zhongbei Yide Investment Management Partnership (Limited Partnership)# (海南中北頤德投資管理合夥企業(有限合夥)) a company established in the PRC with limited liability which is owned by Mr. Peng Wenliang and Mr. Wang Pengpeng respectively
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	Trendzon (Guangzhou) Industrial Park Investment Development Co., Ltd.# (卓航(廣州)產業園投資發展有限公司), a company established in the PRC with limited liability, a wholly-owned subsidiary of the Trendzon Guangzhou and a shareholder of the Project Company with 51% equity interest
“JV Group”	JV Company and its subsidiaries
“JV Partner”	Zhongbei Yi’an (Hainan) Private Equity Fund Management Co., Ltd.# (中北頤安(海南)私募基金管理有限公司) a company established in the PRC with limited liability which is directly by Hainan Zhongbei and Ms. Li Hong respectively
“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
“Project”	the establishment of an integrated industrial operation platform in certain industrial real estates and/or upgrades of regional industrial structure in the PRC for the creation of industrial parks by the Company under the name Trendzon Diandian Science and Technology Innovation City# (卓航•點點科創城)
“Project Company”	Trendzon Park Project Investment and Development (Zhongshan) Company Ltd# (卓航科創城項目投資開發(中山)有限公司), a company established in the PRC with limited liability, a non-wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trendzon Guangzhou”	Trendzon (Guangzhou) Construction Investment Co., Ltd. <sup>#</sup> (卓航(廣州)建設投資有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“%”	per cent.

By Order of the Board  
**Trendzon Holdings Group Limited**  
**Feng Jiamin**  
*Chairman*

Hong Kong, 9 August 2022

*As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Lok Ka Ho and Mr. Fong Hang Fai as executive directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wong Kwong Fai as independent non-executive directors.*

<sup>#</sup> *In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*