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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



華邦證券有限公司
Huabang Securities Limited

THE PLACING

On 24 August 2022 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 87,695,640 Placing Shares at the Placing Price of HK\$0.25 per Placing Share to not less than six Placees, who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 25 August 2021.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of Placing Shares under the Placing represents (i) 20% of the existing issued share capital of the Company of 438,478,200 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$730,000.

The Placing Price of HK\$0.25 per Placing Share represents (i) a discount of approximately 13.79% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.79% to the average closing price of HK\$0.29 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$21.9 million and approximately HK\$21.6 million respectively. The net proceeds from the Placing are intended to be used for the payment for procurement of computer and peripheral products of the Group. The net price per Placing Share is approximately HK\$0.25.

Since the completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

24 August 2022 (after trading hours)

Issuer

The Company

Placing Agent

Huabang Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 87,695,640 Placing Shares to not less than six Placees and the Placing Agent will receive a placing commission of 1.5% on the aggregate Placing Price of the Placing Shares placed by the Placing Agent (i.e. gross proceeds of the Placing) upon completion of the Placing, which was arrived at arm's length negotiations between the parties.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees (who are independent institutional, professional and/or other private investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the Placees becomes a substantial Shareholder (as defined under the Listing Rules) after completion of the Placing, a further announcement will be made by the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of 87,695,640 Placing Shares under the Placing represents (i) 20% of the existing issued share capital of the Company of 438,478,200 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$730,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.25 per Placing Share represents (i) a discount of approximately 13.79% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.79% to the average closing price of HK\$0.29 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 87,695,640 Shares (as adjusted taking into account the effect of the Share Consolidation). As at the date of this announcement, no Shares have been issued under the General Mandate. Therefore the Placing will not be subject to any further Shareholders approval.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Condition of the Placing Agreement

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares to be issued under the Placing on or before the Long Stop Date.

The Company shall use all reasonable endeavors to procure the condition above is fulfilled in accordance with its terms (including by making an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares as soon as practicable) on or before the Long Stop Date and for that purpose will give all such undertakings, execute such documents and do such other things as may be reasonably necessary to procure the fulfillment of such condition.

If the condition is not satisfied by the Long Stop Date, the obligations and liabilities of the Company and the Placing Agent under the Placing Agreement shall be null and void and the Company and the Placing Agent shall be released from all rights and obligations pursuant to the Placing Agreement. Neither party shall have any right to damages for any costs and expenses that it may have incurred in connection with or arising out of the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place within seven (7) Business Days, after fulfillment of the condition precedent set out in the Placing Agreement or such other date as may be agreed between the Placing Agent and the Company.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company prior to the Completion Date if at any time prior to 10:00 a.m. of the Business Day immediately preceding the Completion Date if any of the following events occurs:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the opinion of the Placing Agent and in its absolute discretion may materially and adversely affect the business or financial condition or prospects of the Group as a whole; or
 - (ii) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not *ejusdem generis* with the foregoing) which, in the sole opinion of the Placing Agent and in its absolute discretion will, or may be expected to, have a material adverse effect on the Placing; or

- (iii) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the sole opinion of the Placing Agent and in its absolute discretion has or may have a material adverse effect on the Placing; or
- (b) any breach of any of the warranties given by the Company under the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing; or
- (c) trading in the Shares having been suspended or limited on, or by, the Stock Exchange for more than ten consecutive trading days, which in the sole and absolute opinion of the Placing Agent is or is likely to prejudice the success of the Placing or distribution of the Placing Shares or dealings in the Placing Shares in the secondary market, or makes it unfavourable or impracticable to proceed with the Placing.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all responsibilities and obligations of each of the Placing Agent and the Company under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except (i) for any antecedent breach of the Placing Agreement, and (ii) the payment by the Placing Agent to the Company of the aggregate amount of out-of-pocket charges and expenses received by the Placing Agent.

Since the completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in computer and peripheral products trading business and financial services business. The maximum gross proceeds and net proceeds from the Placing will be HK\$21.9 million and approximately HK\$21.6 million respectively. The net proceeds from the Placing are intended to be used for trading business of the Group for the payment for procurement of computer and peripheral products. The net price per Placing Share is approximately HK\$0.25.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. It also signifies the confidence of the Placees in the potential of the Company and demonstrates their willingness to support the Company. The Directors are of the view that the Placing would reduce the Group's overall bank borrowings and strengthen the financial position of the Group.

The Directors consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company had not conducted any equity fund raising activities.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

	Shareholding at the date of this announcement		Shareholding immediately after completion of the Placing (assuming that the maximum number of Placing Shares is placed and there will be no other change in the issued share capital of the Company between the date of this announcement and completion of the Placing)	
	Shares	Approximate shareholding	Shares	Approximate shareholding
		%		%
Forever Star Capital Limited (Note 1)	243,989,600	55.64	243,989,600	46.37
Newpont Holdings Limited	23,100,000	5.27	23,100,000	4.39
The Placees	–	–	87,695,640	16.67
Other public shareholders	<u>171,388,600</u>	<u>39.09</u>	<u>171,388,600</u>	<u>32.57</u>
	<u>438,478,200</u>	<u>100</u>	<u>526,173,840</u>	<u>100</u>

Note:

- (1) There are 243,989,600 Shares which were registered in the name of Forever Star Capital Limited. Ms. Shen Wei holds 100% interest in Forever Star Capital Limited and is therefore deemed to be interested in the 243,989,600 Shares held by Forever Star Capital Limited.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 25 August 2021
“Board”	the board of Directors

“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	Huabang Technology Holdings Limited, a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 438,478,200 Shares (as adjusted taking into account the effect of the Share Consolidation)) as at the date of the AGM, which was equivalent to 87,695,640 Shares (as adjusted taking into account the effect of the Share Consolidation)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	14 September 2022 (or such later date as may be agreed by the parties in writing)
“Placee(s)”	any institutional, professional and/or other private investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the proposed placing of up to 87,695,640 Placing Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement

“Placing Agent”	Huabang Securities Limited, being an indirect wholly-owned subsidiary of the Company, is a corporation licensed to carry on Regulated Activities Type 1 (dealing in securities) and Type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the sole and exclusive placing agent of the Placing Shares under the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 24 August 2022 in relation to the Placing
“Placing Price”	HK\$0.25 per Placing Share
“Placing Share(s)”	up to 87,695,640 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.008333 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Consolidation”	the consolidation of every ten (10) issued and unissued old Shares in the share capital of the Company into one (1) Share in the share capital of the Company, which was duly approved by the Shareholders at an extraordinary general meeting of the Company held on 16 March 2022 and became effective on 18 March 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Huabang Technology Holdings Limited
Liu Qiaosong
Vice Chairman & Executive Director

Hong Kong, 24 August 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Liu Qiaosong and Mr. Qu Hongqing; and the independent non-executive Directors of the Company are Mr. Loo Hong Shing, Vincent, Mr. Li Huaqiang and Mr. Zhu Shouzhong.