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無錫盛力達科技股份有限公司

Wuxi Sunlit Science and Technology Company Limited*

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1289)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY**

THE DISPOSAL

On 31 January 2023, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property for a total consideration of RMB13,085,208 (equivalent to approximately HK\$15,047,989).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Disposal is greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements.

THE DISPOSAL

The Board, is pleased to announce that on 31 January 2023 (after trading hours of the Stock Exchange), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property for a total consideration of RMB13,085,208 (equivalent to approximately HK\$15,047,989).

THE AGREEMENT

- Date: 31 January 2023 (after trading hours of the Stock Exchange)
- Parties: Vendor: 無錫海盛軟件科技有限公司 (Wuxi Haisheng Software Technology Company Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company.
- Purchaser: 無錫市惠山區長安街道建設局, a Chinese government authority.
- Property: The Property is located at 中國江蘇省無錫市惠山區慧谷創業園A區政和大道381-10號 with a gross floor area of approximately 710.43 square meters. The Property is for scientific research purpose.
- Consideration and payment terms: The total consideration for the Disposal is RMB13,085,208 (equivalent to approximately HK\$15,047,989) to be settled in cash, which was agreed between the Vendor and the Purchaser based on arm's length negotiation after taking into account the prevailing property market conditions in Wuxi, the market price of similar properties adjacent to the Property and the valuation report on the valuation of the Property of approximately RMB11,800,000 (equivalent to approximately HK\$13,570,000) prepared by an independent valuer.
- The Purchaser shall pay to the Vendor the Initial Deposit of RMB3,925,562 (equivalent to approximately HK\$4,514,396), being 30% of the total consideration of RMB13,085,208 (equivalent to approximately HK\$15,047,989) in one lump sum within sixty business days upon entering into the Agreement for the purchase of the Property.
- In the event of a default in payment of any agreed compensation by the Purchaser, liquidated damages at a daily interest rate of 0.03% of the amount payable shall be paid to the Vendor. On the other hand, if the Vendor fails to deliver the vacant possession and release the security of the expropriated buildings within a specified period, it shall pay liquidated damages at a daily interest rate of 0.03% of the total compensation amount to the Purchaser.

The balance of the consideration in the amount of RMB9,159,646 (equivalent to approximately HK\$10,533,593) shall be paid by the Purchaser to the Vendor in one lump sum within three months upon completing the relocation and handing over the Property.

Completion: Completion will be subject to the entering into the Formal Agreement, which will be signed on or before 31 January 2023.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The carrying value of the Property as shown in the unaudited consolidated financial statements of the Company as at 30 June 2022 was approximately RMB4,880,000 (equivalent to approximately HK\$5,612,000). The Group is expected to record a gain of approximately RMB8,210,000 (equivalent to approximately HK\$9,441,500) from the Disposal, which is calculated based on the consideration of RMB13,085,208 (equivalent to approximately HK\$15,047,989) to be received by the Group for the Disposal less the carrying value of the Property as at 30 June 2022 before any related expenses. The determination of the actual gain will be finalized on the actual date of transfer of the Property. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

INFORMATION OF THE PURCHASER

The Purchaser is a Chinese government department. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are independent third parties of the Company and its connected persons.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company, and is principally engaged in software development and software patent rights trading in the PRC.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The government requested the expropriation of the Property in view of the construction and planning requirements in Huishan Economic & Technological Development Zone with compensation made to the Vendor at a reasonable price.

The Board is of the opinion that the terms and conditions of the Disposal are entered into in accordance with various requirements including the Regulation on the Expropriation of and Compensation for Houses on State-owned Land* (《國有土地上房屋徵收與補償條例》) of the State Council, the Notice of the Provincial Government on Issuing the Provisions on Several Issues Concerning the Implementation of the Regulation on the

Expropriation and Compensation of Houses on State-owned Land by Jiangsu Province* (《省政府關於印發江蘇省貫徹實施〈國有土地上房屋徵收與補償條例〉若干問題規定的通知》), the Measures on the Expropriation of and Compensation for Buildings on State-owned Land in Wuxi* (《無錫市國有土地上房屋徵收與補償辦法》), the Measures on the Appraisal of Expropriated Buildings on State-owned Land* (《國有土地上房屋徵收評估辦法》) and the Technical Specifications for the Expropriation and Appraisal of Buildings in Wuxi* (《無錫市房屋徵收評估技術規範》), and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION OF THE LISTING RULES

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Disposal is greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements.

DEFINITIONS

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

“Agreement”	the agreement dated 31 January 2023 and entered into between the Vendor and the Purchaser in relation to the payment of deposit and the payment of the balance of the consideration in relation to the Disposal
“Board”	the board of Directors
“Company”	無錫盛力達科技股份有限公司 (Wuxi Sunlit Science and Technology Company Limited*), a company incorporated in the PRC with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser on the terms and conditions of the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Initial Deposit”	a deposit of RMB3,925,562 (equivalent to approximately HK\$4,514,396), being 30% of the total consideration of RMB13,085,208 (equivalent to approximately HK\$15,047,989) paid by the Purchaser to the Vendor upon entering into the Agreement for the sale and purchase of the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement only, except where the context requires, references in this document to the PRC or China exclude Hong Kong, Macau and Taiwan
“Property”	中國江蘇省無錫市惠山區慧谷創業園A區政和大道381-10號
“Purchaser”	無錫市惠山區長安街道建設局, a Chinese government department
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	無錫海盛軟件科技有限公司 (Wuxi Haisheng Software Technology Company Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company, which is the vendor of the Property under the Agreement
“%”	per cent

* *For identification purposes only, the English translation of the Chinese names are for identification purpose and should not be regarded as the official English translation of such Chinese names.*

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.15. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

By order of the Board
無錫盛力達科技股份有限公司
Wuxi Sunlit Science and Technology Company Limited*
Zhang Degang
Chairman

Hong Kong, 31 January 2023

As at the date of this announcement, the executive Directors are Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Feng Lili, the non-executive Director is Ms. Zhang Jinghua, and the independent non-executive Directors are Mr. Leung Yiu Cho, Mr. Yu Jianfeng and Mr. Zhong Ruifeng.

* *For identification purposes only*