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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

Reference is made to the annual report for the year ended 31 March 2023 of Huabang Technology Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 24 July 2023 (the “**2023 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2023 Annual Report.

The Board would like to supplement the following additional information in relation to the Group’s Share Option Scheme, Share Award Scheme, and money lending business as disclosed in the 2023 Annual Report.

**OPTIONS AVAILABLE FOR GRANT UNDER THE SHARE OPTION SCHEME**

In respect of the Share Option Scheme adopted by the Company on 21 August 2013 (the scheme mandate limit for which is subsequently refreshed on 24 February 2017), the number of options available for grant under the Share Option Scheme mandate as at 1 April 2022 and 31 March 2023 were 21,565,600 (after Share Consolidation) and 21,565,600 (after Share Consolidation) respectively.

**THE SHARE AWARD SCHEME**

In respect of the Share Award Scheme adopted by the Company on 14 March 2019, the purpose of the Share Award Scheme is to recognize the contributions by selected eligible persons and to offer suitable incentives to attract and retain targeted talent and personnel for the continuance of operations and future development of the Group.

As at the date of the 2023 Annual Report, the maximum number of shares which may be awarded to each participant was 5,261,622 shares, representing 1% of the then issued share capital of the Company, and 52,616,220 shares, representing 10% of the then issued share capital of the Company, were available for issue under the Share Award Scheme. Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its absolute discretion grant any share awards to any selected participant at nil consideration.

No share awards have been granted under the Share Award Scheme since its adoption on 14 March 2019. Since no awards have been granted under the Share Award Scheme, the number of awards available for grant under the share award scheme mandate as at 1 April 2022 and 31 March 2023 were 43,847,820 shares and 52,616,220 shares respectively, representing 10% of the then issued share capital of the Company.

## THE GROUP'S MONEY LENDING BUSINESS

The following table sets out a schedule of the loan portfolio of the Group under its money lending business for the year ended 31 March 2023:

Borrower	Date of entering into the loan	Principal amount (HK\$'000)	Interest rate (yearly)	Tenor (year)	Background of borrower/ guarantor (if any)
1. Borrower A (an individual)	27 August 2016	7,000	15%	1	A merchant
2. Borrower B	17 April 2019	40,000	8%	1	An investment holding company, engaged in financial investment activities
3. Borrower C (an individual)	17 April 2019	40,000	8%	1	A personal investor
4. Borrower D (an individual)	30 May 2019	20,000	12%	1	A merchant
5. Borrower E <sup>(Note)</sup>	10 October 2019	34,000	10%	1	An investment holding company, engaged in financial investment activities
6. Borrower F	17 March 2020	48,700	12%	1	An investment holding company
7. Borrower G (an individual)	2 April 2020	7,000	18%	1	The borrower and guarantor are businessmen
		196,700			

*Note:* Borrower E has repaid its loan in full during the year ended 31 March 2023.

A guarantee was given for the loan owed by Borrower G, and the terms of each of the loans owed by Borrower A, Borrower B, Borrower C, Borrower D, Borrower F and Borrower G (the “**Relevant Borrowers**” and each a “**Relevant Borrower**”) allow the Group to appoint receiver(s) to liquidate any securities held by a Relevant Borrower in a securities account with the Group to offset outstanding amounts due upon the occurrence of an event of default. Save the above, no credit enhancement features (including security or collaterals) were provided in respect of the outstanding loans.

## Impairment losses on loan receivables

As at 31 March 2023, the gross carrying amount of loan receivables of approximately HK\$151.1 million are denominated in Hong Kong dollars, unsecured, bearing fixed interest rate from 8% to 18%, and recoverable within one year from the dates of inception of the loan agreements. The principal loaned to 50.0%, 33.3% and 16.7% of the money lending business client range from HK\$0 to HK\$20,000,000, HK\$20,000,001 to HK\$40,000,000 and HK\$40,000,001 to HK\$50,000,000, respectively. Individual clients and corporate clients represent 66.7% and 33.3% of the money lending business clients respectively.

With reference to the 2023 Annual Report, impairment losses on loan receivables (“**Impairments**”) in the aggregate amount of approximately HK\$130,695,000 were recognised as at 31 March 2023. Such Impairments were made in respect of the six Relevant Borrowers, none of which were, or were entitles controlled by, the Directors or other connected persons of the Company.

The following table sets out further details of the Impairments:

Borrower	Principal amount (HK\$'000)	Outstanding principal amount as at 31 March 2023 (HK\$'000)	Amount of Impairments as at 31 March 2023 (HK\$'000)	Reasons for the Impairments
1. Borrower A (an individual)	7,000	4,887	(3,062)	When Borrower A failed to repay the loan upon maturity
2. Borrower B	40,000	40,000	(33,422)	When Borrower B failed to repay the loan upon maturity
3. Borrower C (an individual)	40,000	40,000	(39,905)	When Borrower C failed to repay the loan upon maturity
4. Borrower D (an individual)	20,000	19,383	(11,845)	When Borrower D failed to repay the loan upon maturity
5. Borrower E	34,000	Nil.	Nil.	n/a
6. Borrower F	48,700	42,373	(38,491)	When Borrower F failed to repay the loan upon maturity
7. Borrower G (an individual)	7,000	4,414	(3,970)	When Borrower G failed to repay the loan upon maturity
	<u>196,700</u>	<u>151,057</u>	<u>(130,695)</u>	

For the outstanding loan in respect of Borrower A, the Group has taken into account the past-due status, historical repayment performance and probability of default and considered it was credit-impaired and full provision of HK\$7.0 million was made as at 31 March 2019.

For the other borrowers with outstanding loans, the Group has taken into account the past-due status, historical repayment performance, probability of default and expected amount recoverable from each of these borrowers, and as at 31 March 2023, each of their respective loan receivables are considered to be credit-impaired. Full provision have been made after deducting expected future cash flows that may be recovered by the Group, through the appointment of receiver(s) to liquidate any securities held by each of the borrower concerned pursuant to their respective loan agreements with the Group. The impairment loss is the aggregate difference between the principal outstanding and the expected future cash flows recoverable from these borrowers.

### **Actions taken to recover overdue loan receivables**

The Group has continued to take actions to recover loan receivables due to it during the year ended 31 March 2023. Following negotiations and recovery efforts made by the Group, Borrower E has fully repaid its loan due to the Group during the year.

In respect of Borrower B, Borrower C and Borrower F, the Group is engaged in ongoing negotiations and discussions with these borrowers on repayment arrangements. The Group had issued demand letters to them demanding immediate repayment of the due but unpaid principal and interest under the loans. The Group is consulting legal advisers on the commencement of legal proceedings to recover the outstanding loans from these borrowers. During the year ended 31 March 2023, the Group recovered approximately HK\$6,327,000 in respect of the outstanding loans owed by Borrower F.

In respect of Borrower A and Borrower D, the Group issued demand letters to them demanding immediate repayment of the due but unpaid principal and interest under the loans. The Group has consulted legal advisers and has appointed a professional independent receiver to recover the outstanding loans from these borrowers. During the year ended 31 March 2023, the Group recovered approximately HK\$2,113,000 and HK\$617,000 in respect of the outstanding loans owed by Borrower A and Borrower D respectively. Since 31 March 2023 and as at the date of this announcement, the Group recovered a further of approximately HK\$878,000 from Borrower A and approximately HK\$223,000 from Borrower D.

In respect of Borrower G, further to the Company's announcement dated 16 November 2022, Borrower G has continued to repay the outstanding amount of HK\$8,585,718.58 as agreed in its settlement agreement with the Group dated 26 October 2022 (the "**Settlement Agreement**"). Borrower G has fully repaid HK\$8,585,718.58 to the Group pursuant to the Settlement Agreement as at the date of this announcement.

Despite the Impairments being made as at 31 March 2023, the Group reserves all of its rights to take legal actions to recover any outstanding amounts due from each of the Relevant Borrowers to safeguard the interests of the Group and the shareholders of the Company.

Save as disclosed above, all other information and contents set out in the 2023 Annual Report remain unchanged.

By order of the Board  
**Huabang Technology Holdings Limited**  
**Qu Hongqing**  
*Executive Director*

Hong Kong, 12 October 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Qu Hongqing, Mr. Chan Wing Sum and Ms. Kwok Ling Yee Pearl Elizabeth; and the independent non-executive Directors of the Company are Mr. Loo Hong Shing, Vincent, Mr. Li Huaqiang and Mr. Zhu Shouzhong.*