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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 25 February 2025 (after the trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditional agreed to subscribe for the Subscription Shares at the Subscription Price of HK\$0.20 per Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Subscription Shares represent 4.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.85% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Price of HK\$0.20 per Share represents (i) a discount of approximately 16.3% to the closing price per Share of HK\$0.239 as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 17.2% to the average of the closing prices per Share of approximately HK\$0.2416 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription will be approximately HK\$5,667,000 and the net proceeds from the Subscription (after deducting other relevant expenses) will be approximately HK\$5,617,000. The Company intends to utilize (i) approximately 60%, or HK\$3.4 million, of the net proceeds for the repayment of liabilities of the Group, and (ii) approximately 40%, or HK\$2.2 million, of the net proceeds for the replenishment of general working capital of the Group.

As Completion is subject to the satisfaction of the conditions in the Subscription Agreement, the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

On 25 February 2025 (after the trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber has conditional agreed to subscribe for the Subscription Shares at the Subscription Price of HK\$0.20 per Share.

The Subscription Agreement

Set out below is a summary of the principal terms of the Subscription Agreement:

The Subscription Agreement

Date: 25 February 2025 (after trading hours)

Parties: (1) the Company (as issuer); and

(2) Subscriber (as subscriber)

Pursuant to the Subscription Agreement, the Subscriber conditionally agreed to subscribe for 28,336,000 new Shares at the Subscription Price of HK\$0.20 per Subscription Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is Independent Third Party and does not hold any interests in Shares as at the date of this announcement.

Subscription Shares

The Subscription Shares comprise of 28,336,000 new Shares, representing 4.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.85% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares will be HK\$2,833,600.

Subscription Price

The Subscription Price of HK\$0.20 per Share represents:

- (i) a discount of approximately 16.3% to the closing price per Share of HK\$0.239 as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 17.2% to the average of the closing prices per Share of approximately HK\$0.2416 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was determined and negotiated on an arm's length basis between the Company and the Subscriber with reference to the prevailing market conditions, prevailing market prices and liquidity of the Shares. The Directors consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Completion of the Subscription

The completion of the Subscription will take place on the third Business Day after the conditions of the Subscription have been fulfilled (or on such other date and time as may be agreed between the Company and the Subscribers).

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate to allot, issue and deal with shares granted to the Directors by resolution of the Shareholders passed on 5 September 2024 subject to the limit up to 20% of the then issued share capital of the Company as on 5 September 2024.

Under the General Mandate, the Company is authorized to issue up to 283,360,000 Shares (before the share consolidation). On 10 September 2024, the share consolidation of the Company became effective in which every ten (10) issued and unissued Shares of HK\$0.01 each was consolidated into one (1) consolidated Share of HK\$0.1 each. Accordingly, the maximum number of Shares issuable under the General Mandate would then be 28,336,000. Up to the date of this announcement, no Share has been issued under the General Mandate. The maximum of 28,336,000 Subscription Shares to be allotted and issued will fall within the limit of the General Mandate. Therefore, the issue of the Subscription Shares is not subject to the approval of the Shareholders.

Conditions of the Subscription

The completion of the Subscription are conditional upon, among others, the following conditions being satisfied:

- (i) the Listing Committee of the Stock Exchange granting approval (subject to allotment) for the listing of and permission to deal in the Subscription Shares to be issued and such approval not being subsequently revoked;
- (ii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- (iii) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

The parties to the Subscription Agreement shall use all endeavours to procure the fulfilment of all the conditions above by the Long Stop Date or such other date as the parties to the Subscription Agreement may agree in writing. In the event that all the conditions have not been fulfilled by the Long Stop Date and the Company and the Subscriber have not agreed to extend the Long Stop Date upon the expiry of the Long Stop Date, the Subscription Agreement will be terminated and ceased to be effective, and neither parties shall have obligations and liabilities against the other thereafter, save for any antecedent breach of the Subscription Agreement.

Application for listing

The Company will apply to the Listing Committee of Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services, provision of engineering services and trading of building materials.

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription will be approximately HK\$5,667,000 and the net proceeds from the Subscription (after deducting other relevant expenses) will be approximately HK\$5,617,000. The Company intends to utilize (i) approximately 60%, or HK\$3.4 million, of the net proceeds for the repayment of liabilities of the Group, and (ii) approximately 40%, or HK\$2.2 million, of the net proceeds for the replenishment of general working capital of the Group.

The Directors consider that the Subscription represents a good opportunity to raise additional funds through the equity market to support the continuous development and business growth taken into account the fast changing market conditions, as well as to broaden the capital and shareholder base of the Company. Accordingly, the Board considers that the terms of the Subscription are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Subscription (assuming the maximum number of the Subscription Shares are subscribed and there is no other change in the issued share capital of the Company before the completion of the Subscription) are set out below:

	As at the date of this announcement		Upon Completion (Assuming all the Subscription Shares have been issued and allotted)	
	<i>Number of issued Shares</i>	<i>Approximately %</i>	<i>Number of issued Shares</i>	<i>Approximately %</i>
Substantial Shareholder				
Mr. Liu Jianfu (劉建甫)	81,984,000	11.57	81,984,000	11.13
Public Shareholders				
Subscriber	–	–	28,336,000	3.85
Other public Shareholders	626,416,000	88.43	626,416,000	85.02
Total	<u>708,400,000</u>	<u>100.00</u>	<u>736,736,000</u>	<u>100.00</u>

Note:

Mr. Liu Jianfu is an executive Director of the Company.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
19 July 2024	Rights Issue	HK\$100.2 million	<p>(i) approximately HK\$50.2 million or 50.1% of the maximum net proceeds for the startup costs of phase three of the Trendzon Diandian Science and Technology Innovation City's Industrial Park in the PRC and is expected to be utilised on or before 31 March 2025;</p> <p>(ii) approximately HK\$45.2 million or 45.1% of the maximum net proceeds for repayment of loans and is expected to be utilised on or before 31 December 2024; and</p> <p>(iii) approximately HK\$4.8 million or 4.8% of the maximum net proceeds to replenish the general working capital of the Group and is expected to be utilised on or before 31 March 2025</p>	<p>Approximately HK\$49.1 million utilised as intended</p> <p>Fully utilised as intended</p> <p>Approximately HK\$2.6 million utilised as intended</p>

Save as the abovementioned, the Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days 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 in Hong Kong are open for general banking Business
“Company”	Trendzon Holdings Group Limited, a company incorporated under the laws of the Cayman Islands, the issued shares of which are listed on of the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions as set out in the Subscription Agreement
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 5 September 2024 to allot, issue and deal with 283,360,000 Shares (before the share consolidation became effective on 10 September 2024), being 20% of the total number of Shares in issue as at the date of the annual general meeting

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	14 March 2025 or such later date as the parties to the Subscription Agreement may agree in writing
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary shares of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ms. Ma Jiamin* (馬佳敏), an individual investor
“Subscription”	the subscription for the Subscription Shares by the Subscriber on the terms and subject to the conditions set out in the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 25 February 2025 and entered into between the Company and Subscriber in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.20 per Share
“Subscription Shares”	28,336,000 new Shares to be allotted and issued pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Trendzon Holdings Group Limited
Feng Jiamin
Chairman

Hong Kong, 25 February 2025

As at the date hereof, the Board comprises Ms. Feng Jiamin, Mr. Liu Jianfu, Mr. Michael Shi Guan Wah, Ms. Zhao Jianhong, Mr. Leung Yiu Cho, Mr. Fong Hang Fai and Mr. Law Wai Yip as executive Directors; Mr. Dong Changzhou as non-executive Director; Mr. Wu Kai Tang, Mr. Shek Jun Chong, Mr. Qiu Yue and Ms. Tam Wing Yan as independent non-executive Directors.

* *For identification purpose only*