

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Quantum Thinking Limited

量子思維有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

DISCLOSEABLE TRANSACTION ACQUISITION OF 70% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board hereby announces that on 18 June 2021, the Purchaser, a non-wholly owned subsidiary of the Company entered into the share transfer agreement (as amended and restated by a supplemental agreement dated 22 June 2021) (the “**Share Transfer Agreement**”) with, among others, the Vendor, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell the Target Shares, being 70% of the equity interest in the Target Company at the consideration of RMB7,000.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE ACQUISITION

The Board hereby announces that the Purchaser, a non-wholly owned subsidiary of the Company, entered into the Share Transfer Agreement with, among others, the Vendor, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell the Target Shares, being 70% of the equity interest in the Target Company at the consideration of RMB7,000. The principal terms of the Share Transfer Agreement are set out as follows:

- Date:** 18 June 2021 and 22 June 2021 (after trading hours)
- Parties:**
- (1) the Vendor;
 - (2) the Purchaser; and
 - (3) Guangzhou Huasheng (who has no right or obligation under the Share Transfer Agreement)

Consideration: The consideration for the Acquisition shall be RMB7,000 payable by the Purchaser to the Vendor in cash on or before 31 August 2021 for the Target Shares, which comprises 70% of the registered capital of the Target Company in the amount of RMB35 million. As at the date of this announcement, the relevant registered capital of the Target Company has not been paid up.

The consideration was arrived at arm's length negotiation between the Vendor and the Purchaser with reference to the unaudited net liabilities of approximately RMB389,000 of the Target Company as at 31 March 2021 and the fact that the relevant registered capital has not been paid up.

The Board considers that the consideration is fair and reasonable and on normal commercial terms and that the entering into of the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

Completion: The industrial and commercial registration modification formalities* (工商變更登記手續) has been completed on 18 June 2021 (the “**Modification Registration**”). Prior to the Modification Registration, the Target Company was wholly owned by the Vendor. After the Modification Registration, the Target Company is 70% owned by the Purchaser and 30% owned by Guangzhou Huasheng respectively.

Upon the completion of the Acquisition, the Target Company has become a non-wholly owned subsidiary of the Company. As a result, the financial results of the Target Company will be consolidated into the financial statements of the Group.

INFORMATION ON THE GROUP AND THE PARTIES TO THE SHARE TRANSFER AGREEMENT

The Group is principally engaged in the provision of system development services and other value-added technical consultation services and trading of hardware products.

The Purchaser is principally engaged in the technical development and software development in the PRC. As at the date of this announcement, the Purchaser is owned as to 70% by Shenzhen Quantum Technology Information Co., Ltd.* (深圳市量子科技訊息有限公司), a wholly-owned subsidiary of the Company, and 30% by CITIC Technology Co., Ltd.* (中信技術公司), a wholly-owned subsidiary of the CITIC Group Corporation (中國中信集團有限公司).

The Vendor is an individual who is a PRC entrepreneur. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor is an Independent Third Party.

Guangzhou Huasheng is principally engaged in investment holding and wholly-owned by Mr. Zheng Jianhua (鄭建華) (“**Mr. Zheng**”). Mr. Zheng is an individual who is a PRC entrepreneur. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Mr. Zheng is an Independent Third Party.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and was wholly-owned by the Vendor before the Modification Registration. The Target Company is principally engaged in development of digital culture innovative software, internet and information security software and basic artificial intelligence software, software outsource service, information technology consultation service and computer system service, engineering technical services (excluding planning and management, survey, design and supervision), building construction and municipal infrastructure project contracting and intelligent building construction works.

Set out below is the financial information of the Target Company for the two years ended 31 December 2019 and 2020:

	For the year ended 31 December 2019	For the year ended 31 December 2020
	<i>unaudited</i>	<i>unaudited</i>
	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(Approximately)</i>	<i>(Approximately)</i>
Revenue	0	4,183
Net profit/(loss) before taxation	(39)	102
Net profit/(loss) after taxation	(39)	102

The unaudited net liabilities of the Target Company as at 31 March 2021 was approximately RMB389,000.

REASONS FOR AND BENEFITS OF THE SHARE TRANSFER AGREEMENT

The Purchaser acts as an enabler in respect of the digital transformation of government authorities and state-owned enterprises, which is required to focus on practical industry and business practices. Currently, the scale of infrastructure sector in the PRC is approximately RMB23,000 billion per annum, which is a mega-scaled industry. The objective for the Purchaser and the Group to acquire the Target Company is to offer new digitalised infrastructure products to state-owned enterprises engaging in the infrastructure industry. Operation efficiency and degree of digitalization in infrastructure construction can be improved by means of informatization and digitalization. Through the Acquisition, the Purchaser and the Group can concentrate on the infrastructure industry with a separate entity, thus strengthening their corporate competitiveness. Upon the Acquisition, the Target Company can provide digitalised infrastructure end-to-end implementation services to customers, including services such as fundamental hardware, intelligent software, and digital electrical engineering.

Having regard to the reasons for and benefits of the Acquisition, the Board is of the view that the Acquisition and the terms of the Share Transfer Agreement are fair and reasonable, and the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Target Shares by the Purchaser pursuant to the terms and conditions of the Share Transfer Agreement
“Board”	board of Directors
“Company”	Quantum Thinking Limited (量子思維有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM (stock code: 8050)
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM
“Group”	the Company and its subsidiaries
“Guangzhou Huasheng”	Guangzhou Huasheng Digital Technology Co., Ltd.* (廣州華晟數字科技有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the GEM Listing Rules) of the Company
“PRC”	the People’s Republic of China

“Purchaser”	Shenzhen CITIC Cyber Security Authentication Co., Ltd.* (深圳市中信網安認證有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Share Transfer Agreement”	the share transfer agreement dated 18 June 2021 (as amended and restated by a supplemental agreement dated 22 June 2021) entered into between, among others, the Vendor and the Purchaser in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhongzhisuxun Technology Development Co., Ltd.* (中智速訊科技發展有限公司), a company established in the PRC with limited liability
“Target Shares”	70% equity interest of the Target Company as at the date of the Share Transfer Agreement
“Vendor”	Mr. Liu Bo (劉波), the sole shareholder, sole director and the legal representative of the Target Company before the Modification Registration
“%”	per cent

* For identification purposes only

By Order of the Board
Quantum Thinking Limited
Cai Dan
Director

Hong Kong, 22 June 2021

As at the date of this announcement, the executive Directors are Mr. Wang Xiaoqi, Mr. Ho Yeung, Mr. Cai Dan and Ms. Ho Ching; and the independent non-executive Directors are Mr. Lau Chor Ki, Mr. Tse Yee Hin, Tony and Mr. Wong Kin Kee.

This announcement, for which all the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.8050hk.com.