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Trendzon Holdings Group Limited

卓航控股集團有限公司

(formerly known as Pipeline Engineering Holdings Limited 管道工程控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
85% OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY**

THE ACQUISITION

The Board is pleased to announce that on 13 September 2021 (after trading hours of the Stock Exchange), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 85% of the entire issued share capital of the Target Company, for the Consideration of HK\$14,000,000.

Upon Completion, the Purchaser will own 85% of the entire issued share capital of the Target Company, and the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Acquisition Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 13 September 2021 (after trading hours of the Stock Exchange), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 85% of the entire issued share capital of the Target Company, for the Consideration of HK\$14,000,000.

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

Date: 13 September 2021

Parties: (i) Vendor: VBG International Holdings Limited

(ii) Purchaser: Jumbo Harvest Group Limited

As at the date of this announcement, the Target Company is wholly-owned by the Vendor. The Vendor is a company incorporated in the Cayman Islands, the issued shares of which are listed on GEM of the Stock Exchange. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate shareholders are Independent Third Parties.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 85% of the entire issued share capital of the Target Company.

Consideration

The Consideration payable to the Vendor is HK\$14,000,000 and shall be satisfied in the following manner:

- (a) as to HK\$5,000,000 shall be payable in cash by the Purchaser to the Vendor as refundable deposit (the "**Deposit**") on or before 1 December 2021, which shall form part of the Consideration;
- (b) as to HK\$7,000,000 (the "**Escrow Money**") shall be payable to an escrow agent as agreed between the Vendor and the Purchaser, who will release the Escrow Money to the Vendor by instalments on or before 4 July 2022 at the direction of the Purchaser; and
- (c) the remaining balance of HK\$2,000,000 shall be payable in cash by the Purchaser to the Vendor at Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited net asset value of the Target Company as at 31 August 2021 of approximately HK\$14.78 million. The Consideration will be satisfied by internal resources of the Group.

If, at any time before Completion, any of the warranties is found incorrect or untrue in any material respect, or the Vendor is in breach of any of the pre-completion undertakings in the Acquisition Agreement but is not ratified within 10 days from the written notice given by the Purchaser, nor waived by the Purchaser, the Purchaser has the right to terminate the Acquisition Agreement and the Vendor shall forthwith return the Deposit and the Escrow Money paid (if any) pursuant to the terms and conditions of the Acquisition Agreement to the Purchaser, and neither party shall make any claim against the other party, to enforce the terms thereof, nor to request for other rights, compensation or relief.

If, at any time before Completion, the Purchaser is in breach of its obligations under the Acquisition Agreement and is not ratified within 10 days from the written notice given by the Vendor, nor waived by the Vendor, the Vendor has the right to terminate the Acquisition Agreement and the Vendor shall forthwith return the Deposit and the Escrow Money paid (if any) pursuant to the terms and conditions of the Acquisition Agreement to the Purchaser, and neither party shall make any claim against the other party, to enforce the terms thereof, nor to request for other rights, compensation or relief.

Conditions precedent

Completion shall be conditional upon and subject to:

- (1) the approval from the SFC in relation to (i) the Purchaser becoming the substantial shareholder (as defined in the SFO) of the Target Company as contemplated under the Acquisition Agreement; (ii) if required, the change of business plan of the Target Company pursuant to the Acquisition Agreement; and (iii) if required, the appointment of new responsible officer(s) nominated by the Purchaser pursuant to the Acquisition Agreement;
- (2) the license granted by the SFC not having been suspended, revoked or withdrawn;
- (3) no investigation, enquiry or disciplinary action having been initiated against the Target Company, its senior management or its authorised representatives by any authority;
- (4) the Purchaser being satisfied with the results of the Due Diligence Review;
- (5) if required, the ordinary resolution in respect of the entering into of the Acquisition Agreement and the transactions contemplated thereunder having been obtained from the shareholders of the Vendor and the Purchaser respectively;

- (6) the Vendor and the Company not having received any notifications from the Stock Exchange to revoke or withdraw the listing of their respective shares due to any reasons in relation to the Acquisition Agreement and the transactions contemplated thereunder; and
- (7) there being no material breach of any representations, warranties and undertakings of the Acquisition Agreement by the Vendor.

Save that the Purchaser may waive in writing the conditions set out in paragraphs (4) and (7) above, all other conditions are incapable of being waived by either the Vendor or the Purchaser.

The Vendor and the Purchaser shall use their best endeavours to procure the fulfillment of the above conditions precedent by 30 September 2022, or such other date as the parties may agree in writing but in any event, no later than 31 December 2022. If the conditions set out in the Acquisition Agreement have not been satisfied (or as the case may be, waived by the Purchaser) on 31 December 2022, the Acquisition Agreement shall cease and determine and the Deposit and the Escrow Money paid (if any) pursuant to the terms and conditions of the Acquisition Agreement (without interest) shall be returned to the Purchaser within 14 Business Days from the date thereof.

Completion

Completion shall take place on the date falling within seven (7) Business Days after the fulfillment or waiver of the conditions precedent under the Acquisition Agreement, or such other date the Vendor and the Purchaser may agree but in any event shall not be later than 31 December 2022.

Upon Completion, the Purchaser will own 85% of the entire issued share capital of the Target Company, and the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the financial results the Target Company will be consolidated in the financial statements of the Group.

Due Diligence Review

The Purchaser is entitled to conduct such financial, legal or other due diligence review of the assets, liabilities, operations and affairs of the Target Company as it may reasonably consider appropriate upon signing of the Acquisition Agreement and the Vendor shall provide and procure the Target Company and its agents to provide such assistance as the Purchaser or its agents and advisers may reasonably require in connection with the Due Diligence Review.

INFORMATION OF THE VENDOR AND THE TARGET COMPANY

The Vendor is a company incorporated in the Cayman Islands whose shares are listed on GEM of the Stock Exchange (stock code: 8365). It is principally engaged in the provision of (i) corporate finance advisory services; (ii) placing and underwriting services; (iii) securities brokerage and margin financing; (iv) asset management services; and (v) business consulting services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

The Target Company is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, the Target Company is wholly-owned by the Vendor, and is licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO.

Set out below is the financial information of the Target Company for the two financial years ended 31 March 2020 as prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended	
	31 March	31 March
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,688	11,819
Loss before taxation	(8,306)	(3,141)
Loss after taxation	(8,245)	(3,085)

The unaudited net assets of the Target Company as at 31 August 2021 was approximately HK\$14.78 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

With the view to diversify the Group's existing business portfolio and to broaden its source of income, the Directors have been reviewing the market conditions of the financial services sector and believe the Acquisition will enable the Group to enter into financial services industry and to diversify its revenue stream, which, in turn, will increase its shareholders' value and benefit the Company and its shareholders as a whole.

In view of the above, the Directors are of the view that the terms of the Acquisition Agreement are fair and reasonable and are on normal commercial terms and in the interests of the Group and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Acquisition Agreement and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the sale and purchase of the Sale Shares pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 13 September 2021 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout the normal working hours
“Company”	Trendzon Holdings Group Limited 卓航控股集團有限公司, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1865)
“Completion”	completion of the sale and purchase of the Sale Shares according to the Acquisition Agreement
“Completion Date”	within seven (7) Business Days after all the conditions precedent under the Acquisition Agreement have been fulfilled (or waived) or such other date as the Vendor and the Purchaser may agree, but in any event shall not be later than 31 December 2022
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration to be satisfied by the Purchaser to the Vendor for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Due Diligence Review”	the financial, legal or other due diligence review of the assets, liabilities, operations and affairs of the Target Company by the Purchaser or its agents and advisers in accordance with the terms of the Acquisition Agreement
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Jumbo Harvest Group Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Company, purchaser to the Acquisition Agreement
“Sale Shares”	14,450,000 ordinary shares of the Target Company beneficially owned by the Vendor, representing 85% of the entire issued share capital of the Target Company as at the date of this announcement
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wealth Link Securities Limited 富匯證券有限公司, a company incorporated in Hong Kong with limited liability and licensed by the SFC to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Vendor”	VBG International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8365), vendor to the Acquisition Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Trendzon Holdings Group Limited
Feng Jiamin and Michael Shi Guan Wah
Joint Chairmen

Hong Kong, 13 September 2021

As at the date of this announcement, the Board comprises Mr. Michael Shi Guan Wah, Ms. Feng Jiamin and Mr. Lok Ka Ho as executive directors; and Mr. Cher Choong Kiak, Mr. Chiam Soon Chian (Zhan Shunquan), Mr. Choo Chih Chien Benjamin, Mr. Tong Wing Chi, Mr. Shek Jun Chong and Mr. Qiu Yue as independent non-executive directors.