

*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.*

## **STATE INNOVATION HOLDINGS LIMITED**

**國科控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8275)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 14.23% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY**

#### **THE ACQUISITION**

The Board is pleased to announce that on 29 January 2023, the Purchaser (a direct wholly-owned subsidiary of the Company), the Vendor and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares, representing 14.23% of the issued share capital of the Target Company, at the Consideration of HK\$8,100,000. The Completion took place on the same date.

Upon Completion, the Company has indirectly held 14.23% of the issued share capital of the Target Company and the Target Company will not be accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will not be consolidated into the financial statements of the Group.

The principal asset of the Target Company is its investment in Bright Future Holding. As at the date of this announcement, the Target Company owns approximately 30.8% of the issued share capital of Bright Future Holding.

#### **GEM LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios calculated pursuant to Rule 19.08 of the GEM Listing Rules in respect of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.33 of the GEM Listing Rules and is subject to the notification and announcement requirements.

## THE ACQUISITION

The Board is pleased to announce that on 29 January 2023 (after trading hours), the Purchaser, the Vendor and the Guarantor entered into the Sale and Purchase Agreement.

The principal terms of the Sale and Purchase Agreement are summarised as follows:

- Date : 29 January 2023
- Parties : (i) The Purchaser: Goldstone Finance Limited;
- (ii) The Vendor: Ashe Capital; and
- (iii) The Guarantor: Mr. Wu Mianqing (吳冕卿).

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

### Subject Matter

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares, representing 14.23% of the issued share capital of the Target Company.

### Consideration

The Consideration of HK\$8,100,000 shall be payable by the Purchaser in the following manner:

- (i) by way of set-off of an amount equivalent to the outstanding principal amount of the Promissory Note and all interest accrued thereon up to Completion, which in aggregate amounted to HK\$2,019,726 (the “**Set-Off Amount**”). Upon Completion, the Vendor shall enter and the Purchaser shall procure the Company to enter into the Deed of Set-Off in relation to the set-off of the Set-Off Amount against part of the Consideration; and
- (ii) the remaining balance of the Consideration (after deducting the Set-Off Amount) of approximately HK\$6,080,274 shall be settled in cash or by way of cashier’s order or bank transfer to the bank account designated by the Vendor within three (3) months from Completion (or such other date as the Vendor and the Purchaser may agree) (the “**Cash Consideration**”).

The Cash Consideration will be settled by the Company’s internal resources. The Consideration was determined based on arm’s length negotiations between the Purchaser and the Vendor with reference to (i) the net asset value of Bright Future Group as at 31 December 2022; and (ii) the historical financial performance of Bright Future Group.

## **Guarantee**

Pursuant to the Sale and Purchase Agreement, the Guarantor irrevocably and unconditionally undertakes to the Purchaser to procure the timely performance of all obligations and commitments by the Vendor under the Sale and Purchase Agreement and to fully indemnify the Purchaser against any liabilities, losses, damages, costs and expenses (whether or not specified in the Sale and Purchase Agreement) incurred by the Purchaser as a result of the Vendor's non-performance or delay in performance.

## **Completion**

Completion took place on 29 January 2023. Upon Completion, the Company has indirectly held 14.23% of the issued share capital of the Target Company and the Target Company will not be accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will not be consolidated into the financial statements of the Group.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the provision of foundation work and machinery rental in Hong Kong. Whilst remaining focused on developing its existing businesses, the Group has been exploring potential investment opportunities from time to time to develop new business segments and to broaden its profit source and eventually optimise the returns to the Shareholders.

The Target Company is an investment holding company and its principal investment is its shareholding interest of approximately 30.8% of the issued share capital of Bright Future Holding, through which the Target Company indirectly holds approximately 30.8% of the equity interest in Bright Future Group, which is principally engaged in the provision of (i) fitting-out services for medical institutions; and (ii) solutions for integrated medical gas supply systems in the PRC.

Having considered (i) the net asset value of Bright Future Group as at 31 December 2022; (ii) the historical financial performance of Bright Future Group; and (iii) the continuous increase in demand for medical oxygenator in the PRC due to the COVID-19 pandemic, the Board is optimistic about the future prospect of Bright Future Group and is of the view that the Acquisition is in line with the Group's investment objective by riding on the increasing in demand for medical oxygenator in the PRC. The Board believes that the Acquisition represents a valuable investment opportunity for the Group and allows it to diversify its business portfolio in equity investment.

The Board considers that the Acquisition and the terms of the Sale and Purchase Agreement, including the Consideration, are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION OF THE PARTIES

### The Purchaser

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. The Group is principally engaged in the provision of foundation work and machinery rental in Hong Kong.

### The Vendor

The Vendor is Ashe Capital. Ashe Capital is an investment holding company incorporated in Hong Kong with limited liability. Ashe Capital is wholly-owned by Mr. Wu Mianqing (吳冕卿).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

### The Guarantor

The Guarantor is Mr. Wu Mianqing (吳冕卿).

### The Target Company

The Target Company is a company incorporated in the BVI with limited liability. The Target Company is an investment holding company and its principal investment is its shareholding interest of approximately 30.8% in the issued share capital of Bright Future Holding as at the date of this announcement.

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2021 and 31 December 2022, respectively:

	<b>For the year ended 31 December 2021 (Unaudited) (HK\$)</b>	<b>For the year ended 31 December 2022 (Unaudited) (HK\$)</b>
Net loss before taxation	11,700	24,180
Net loss after taxation	11,700	24,180

	<b>As of 31 December 2021 (Unaudited) (HK\$)</b>	<b>As of 31 December 2022 (Unaudited) (HK\$)</b>
Total assets	51,672,072	51,672,072
Total liabilities	<u>11,700</u>	<u>24,180</u>
Net Assets	<u><u>51,660,372</u></u>	<u><u>51,647,892</u></u>

Upon Completion, the Company has indirectly held 14.23% of the issued share capital of the Target Company and the Target Company will not be accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will not be consolidated into the financial statements of the Group.

### **Bright Future Holding**

Bright Future Holding is a company incorporated in the Cayman Islands with limited liability. Bright Future Holding is an investment holding company which wholly owns Bright Future Group.

### **Bright Future Group**

Based on the information provided by Bright Future Group, Bright Future Group is principally engaged in the provision of (i) fitting-out services for medical institutions; and (ii) solutions for integrated medical gas supply systems in the PRC.

As at the date of this announcement, the self-developed medical molecular sieve oxygen production equipment of Bright Future Group has provided a cost-effective resolution for oxygen production systems at hospitals across the PRC, and Bright Future Group is recognised as a high-quality oxygen production equipment supplier in the PRC.

### **GEM LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios calculated pursuant to Rule 19.08 of the GEM Listing Rules in respect of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 19.33 of the GEM Listing Rules and is subject to the notification and announcement requirements.

## DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Ashe Capital”	Ashe Capital Holding Limited, an investment holding company incorporated in Hong Kong with limited liability
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bright Future Group”	Bright Future Holding and its subsidiaries
“Bright Future Holding”	Bright Future (Cayman) Holding Limited, a company incorporated in the Cayman Islands with limited liability
“BVI”	British Virgin Islands
“Company”	State Innovation Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose issued shares are listed on GEM of the Stock Exchange (stock code: 8275)
“Completion”	Completion of the transactions contemplated under the Sale and Purchase Agreement
“Consideration”	HK\$8,100,000, being the total consideration for the Acquisition
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Deed of Set-Off”	the deed entered into between the Vendor and the Company in relation to the set-off of the Set-Off Amount against part of the Consideration
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries

“Guarantor”	Mr. Wu Mianqing (吳冕卿)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Promissory Note”	the promissory note dated 28 December 2022 issued by the Vendor in favour of the Company in the principal amount of HK\$2,000,000, at the interest rate of 12% per annum for a term of twelve (12) months
“Purchaser”	Goldstone Finance Limited, a company incorporated in Hong Kong with limited liability, being a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 January 2023 entered into between the Purchaser, the Vendor and the Guarantor in relation to the Acquisition
“Sale Shares”	1,423 ordinary shares in the Target Company, representing 14.23% issued share capital of the Target Company, which is legally and beneficially owned by the Vendor prior to Completion
“Shares”	ordinary share(s) of HK\$0.5 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Central Champion Holding Limited, an investment holding company incorporated in the BVI with limited liability

“Vendor” Ashe Capital

“%” per cent

By order of the Board  
**STATE INNOVATION HOLDINGS LIMITED**  
**Tang Kwai Leung Stanley**  
*Chairman and Executive Director*

Hong Kong, 29 January 2023

*As at the date of this announcement, the Board comprises Mr. Tang Kwai Leung Stanley as executive Director; and Mr. He Dingding, Ms. Chan Tsz Hei Sammi and Ms. Liu Ching Man as independent non-executive Directors.*

*This announcement, for which 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 website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company at [www.beavergroup.com.hk](http://www.beavergroup.com.hk).*