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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

MOUETTE

THE PLACING

On 5 September 2023 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 105,232,440 Placing Shares at the Placing Price of HK\$0.25 per Placing Share to not less than six Placees, who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the 2022 AGM held on 21 September 2022.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of Placing Shares under the Placing represents (i) 20% of the existing issued share capital of the Company of 526,162,200 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$877,000.

The Placing Price of HK\$0.25 per Placing Share represents (i) a discount of approximately 13.79% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.79% to the average closing price of HK\$0.29 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$26.3 million and approximately HK\$25.5 million respectively. The net proceeds from the Placing are intended to be used for general working capital of the Group. The net price per Placing Share is approximately HK\$0.243.

Since the completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

5 September 2023 (after trading hours)

Issuer

The Company

Placing Agent

Mouette Securities Company Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 105,232,440 Placing Shares to not less than six Placees and the Placing Agent will receive a placing commission of 3% on the aggregate Placing Price of the Placing Shares placed by the Placing Agent (i.e. gross proceeds of the Placing) upon completion of the Placing, which was arrived at arm's length negotiations between the parties.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees (who are independent institutional, professional and/or other private investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the Placees becomes a substantial Shareholder (as defined under the Listing Rules) after completion of the Placing, a further announcement will be made by the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of 105,232,440 Placing Shares under the Placing represents (i) 20% of the existing issued share capital of the Company of 526,162,200 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$877,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.25 per Placing Share represents (i) a discount of approximately 13.79% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.79% to the average closing price of HK\$0.29 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the 2022 AGM subject to the limit up to 20% of the then number of issued Shares as at the date of the 2022 AGM. Under the General Mandate, the Company is authorised to issue up to 105,232,440 Shares. As at the date of this announcement, no Shares have been issued under the General Mandate. Therefore the Placing will not be subject to any further Shareholder's approval.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Condition of the Placing Agreement

Completion of the Placing shall be conditional upon the satisfaction or fulfilment of such conditions as set out hereunder:

- (a) the Board having approved the Placing and the transactions contemplated under the Placing Agreement;
- (b) the Placing Agent having successfully procured Placees ready, willing and able to subscribe for, and to accept the allotment of, the Placing Shares or any portfolio thereof during the Placing Period;
- (c) the Company having complied with, and procured for the compliance with, all Law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent Authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof (provided in each case that the Placees complies with and satisfies all such conditions);
- (d) the Placing Agent having compiled and delivered to the Stock Exchange a comprehensive list showing the name, address (or registered address if a corporation), country of incorporation (if a corporation) and other requisite information and details of the Placees and the number of Placing Shares to be subscribed by each Placee;
- (e) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date;
- (f) the Shares remaining listed on the Main Board of the Stock Exchange, and that the listing status of the Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date;
- (g) (if required) the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation from any third party to which the Company have entered into any agreement or arrangement; and
- (h) the Company's representations and warranties made pursuant to this Agreement being true and accurate and not misleading up to Completion.

The conditions contained in above clauses (a) to (g) above cannot be waived by any Party. The Placing Agent may at any time unilaterally waive the condition contained in clause (h). As soon as practicable after the execution of the Placing Agreement and in any event, by the Closing Date, the Company shall use its best endeavours to procure the satisfaction of such conditions as set out in

clauses (a), (c) and (e) to (g) as well as clause (h) (in case the condition as set out in clause (h) has not been waived by the Placing Agent) while the Placing Agent shall use all its best endeavours to procure the satisfaction of such conditions as set out in clauses (b) and (d).

If any one or more of the Conditions shall not have been satisfied or fulfilled by the Closing Date or any of the force majeure event shall have occurred, all obligations and responsibilities of the Placing Agent and those of the Company hereunder shall cease and determine forthwith and no Party shall have any claim whatsoever against the other Party in relation thereto save for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each Party.

Completion of the Placing

Completion of the Placing shall take place within five (5) Business Days, after fulfillment of the conditions precedent set out in the Placing Agreement or such other date as may be agreed between the Placing Agent and the Company (the “**Completion Date**”).

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company prior to the Completion Date if at any time prior to 5:00 p.m. of the Business Day immediately preceding the Completion Date if any of the following events occurs:

- (a) the introduction of any new Law or regulation or any change in existing Laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing

(such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;

- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate this Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the above clauses, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission under provisions of the Agreement. No Party shall have any claim against the other Party for compensation, costs, damages or otherwise, except (i) for any antecedent breach of the Placing Agreement, and (ii) the Company shall remain responsibility for the payment of the fees and levies and all out-of-pocket expenses including but not limited to all reasonable and properly incurred legal fees and other professional expenses to the extent already incurred by the Placing Agent in connection with the Placing and/or the Placing Agreement.

Since the completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in computer and peripheral products trading business, food trading business and financial services business. The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$26.3 million and approximately HK\$25.5 million respectively. The net proceeds from the Placing are intended to be used for general working capital of the Group. The net price per Placing Share is approximately HK\$0.243.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. It also signifies the confidence of the Placees in the potential of the Company and demonstrates their willingness to support the Company. The Directors are of the view that the Placing would strengthen the financial position of the Group.

The Directors consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Apart from the fund raising activity mentioned below, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of Proceeds
19 September 2022	Completion of placing of 87,684,000 new Shares at the placing price of HK\$0.25 each to not less than six placees under general mandate	Approximately HK\$21,600,000	Use for payment of procurement of computer and peripheral products	The net proceeds were used as proposed

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

	Shareholding at the date of this announcement		Shareholding immediately after completion of the Placing (assuming that the maximum number of Placing Shares is placed and there will be no other change in the issued share capital of the Company between the date of this announcement and completion of the Placing)	
	Shares	Approximate shareholding	Shares	Approximate shareholding
		%		%
Forever Star Capital Limited (Note 1)	243,989,600	46.37	243,989,600	38.64
Lin Rui Ping	47,184,000	8.97	47,184,000	7.47
The Placees	–	–	105,232,440	16.67
Other public shareholders	<u>234,988,600</u>	<u>44.66</u>	<u>234,988,600</u>	<u>37.22</u>
	<u>526,162,200</u>	<u>100</u>	<u>631,394,640</u>	<u>100</u>

Note:

- (1) There are 243,989,600 Shares which were registered in the name of Forever Star Capital Limited. Ms. Shen Wei holds 100% interest in Forever Star Capital Limited and is therefore deemed to be interested in the 243,989,600 Shares held by Forever Star Capital Limited.

POTENTIAL IMPACT ON THE PROPOSED GENERAL MANDATE DUE TO THE PLACING

As stated in the Circular, the following ordinary resolutions were proposed to be approved at the upcoming 2023 AGM:

- (a) the granting of the issue mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of the issued Shares as at the date of passing of proposed ordinary resolution contained in item 5(A) of the notice of the 2023 AGM as set out on pages 32 to 35 of the Circular;

- (b) the granting of the repurchase mandate to the Directors to purchase Shares on the Stock Exchange of not exceeding 10% of the total number of the issued Shares as at the date of passing of proposed ordinary resolution contained in item 5(B) of the notice of the 2023 AGM as set out on pages 32 to 35 of the Circular; and
- (c) the extension of the issue mandate by adding the total number of issued Shares repurchased by the Company pursuant to the repurchase mandate.

As at the date of this announcement, there were in issue an aggregate of 526,162,200 Shares. Assuming that before the date of the upcoming 2023 AGM (i) the maximum number of Placing Shares was placed, and (ii) no other Shares were issued or repurchased, subject to the passing of the proposed resolutions for the grant of the issue mandate and the repurchase mandate, the Directors will be authorized to allot and issue upon exercise of the issue mandate in full up to 126,278,928 Shares and to repurchase upon exercise of the repurchase mandate in full up to 63,139,464 Shares respectively, and to the extent the repurchase mandate is exercised, plus the amount of Shares representing the total number of the issued share capital of the Company repurchased by the Company under the repurchase mandate.

POTENTIAL IMPACT ON THE SCHEME MANDATE LIMIT DUE TO THE PLACING

As stated in the Circular, the New Share Option Scheme was proposed to be adopted at the upcoming 2023 AGM and an ordinary resolution was proposed to be approved to authorize the Directors to grant Options under the New Share Option Scheme, and to allot and issue Shares pursuant to the exercise of any Options, as contained in item 6 of the notice of the 2023 AGM and set out on pages 32 to 35 of the Circular.

Pursuant to the terms of the New Share Option Scheme, the Scheme Mandate Limit, being the total number of new Shares which may be issued in respect of all Options and awards to be granted under the New Share Option Scheme and any other share option scheme and share award scheme involving the issue of new Shares of the Company, must not exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (excluding Options or awards (as the case may be) which have lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme or any share award scheme involving the issue of new Shares of the Company), unless Shareholders' approval has been obtained pursuant to the terms as set out in the New Share Option Scheme.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the upcoming 2023 AGM and assuming that before the date of the upcoming 2023 AGM (i) the maximum number of Placing Shares was placed, and (ii) no other Shares were issued or repurchased, the total number of new Shares which may be allotted and issued in respect of all Options and awards to be granted under the New Share Option Scheme and any other share option scheme and share award scheme involving issue of new Shares of the Company will be 63,139,464 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme by the Shareholders at the upcoming 2023 AGM.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“2022 AGM”	the annual general meeting of the Company held on 21 September 2022
“2023 AGM”	the annual general meeting of the Company to be held at 33rd Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 28 September 2023 at 11:00 a.m., or any adjournment thereof
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day 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 are open in Hong Kong for general banking business
“Circular”	The circular of the Company dated 4 September 2023 in relation to the proposals for general mandates to issue and repurchase shares, re-election of retiring directors, re-appointment of the Company’s auditors and adoption of the New Share Option Scheme
“Company”	Huabang Technology Holdings Limited, a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM, which was equivalent to 105,232,440 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date” or “Closing Date”	18 September 2023 (or such later date as may be agreed by the parties in writing)
“New Share Option Scheme”	the new share option scheme of the Company proposed for adoption by the Company at the 2023 AGM, the principal terms of which are set out in Appendix III of the Circular
“Option(s)”	a right granted by the Company under the New Share Option Scheme to subscribe for Shares in accordance with the New Share Option Scheme
“Placee(s)”	any institutional, professional and/or other private investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the proposed placing of up to 105,232,440 Placing Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Mouette Securities Company Limited, a corporation licensed to carry on Regulated Activities Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the sole and exclusive placing agent of the Placing Shares under the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 5 September 2023 in relation to the Placing
“Placing Price”	HK\$0.25 per Placing Share
“Placing Share(s)”	up to 105,232,440 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.008333 each in the issued share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 5 September 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.