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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF A SUBSIDIARY**

Reference is made to the announcement of Trendzon Holdings Group Limited (the “**Company**”) dated 26 January 2024 (the “**Announcement**”) in relation to the Disposal. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

The Company hereby provides the following further information under the sub-section headed “The Consideration” and the section headed “Information on the Target Group” in the Announcement.

The Consideration

Further to making reference to (i) the operating conditions of Wealth Link since its acquisition by the Group, (ii) the unaudited income generated by Wealth Link of approximately HK\$3.7 million and the unaudited net loss incurred by Wealth Link of approximately HK\$3.0 million for the year ended 31 December 2023 (the “**Net Loss of Wealth Link**”) and (iii) the uncertain prospects of Wealth Link as expected by the Group, the Consideration was arrived at after arm’s length negotiations between the Company and the Purchasers based on the net asset value of the Target Group (the “**NAV of Target Group**”) and net of a discount of approximately HK\$4.9 million. Such discount on the Consideration was determined after taking into account the following factors:

- (a) as Wealth Link is loss-making, the Group is not required to further inject working capital to support its operations following the Completion. This allows the Group to better utilize its financial resources to develop the existing core businesses, streamline its operations and explore other investment opportunities;
- (b) the proceeds from the Disposal serves as working capital of the Group and hence it is expected that more surplus funds will be available to the Group for exploring investment opportunities that may provide a positive and higher return than that of running the current business of Wealth Link; and
- (c) the operating results of Wealth Link worsened from 2022 to 2023, recording an unaudited net loss of approximately HK\$2.8 million and HK\$3.0 million for the year ended 31 December 2022 and 2023 respectively. Such deterioration in the financial results of Wealth Link is contrary to the Group’s expectation. Given the aforementioned trend of Wealth Link’s operating results and as the Group is uncertain about the prospects of Wealth Link, the Directors expect that the Disposal would allow the Group to refrain from the loss-making position of Wealth Link and achieve better financial results in the near future.

Although the Consideration was at a discount compared to the NAV of Target Group, however, as the Consideration was arrived at after arm’s length negotiations between the Company and the Purchasers and in view of the benefits to be derived from the Disposal as outlined above, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Information on the Target Group

The Target Group comprises the Target Company as the holding company and Wealth Link as the sole operating subsidiary. The Target Company is an investment holding company and has no business operation. The discrepancy between the Net Loss of Wealth Link (i.e. approximately HK\$3.0 million) and the net profit of the Target Group of approximately HK\$12.8 million for the year ended 31 December 2023 is mainly attributable to an one-off income of approximately HK\$15.9 million booked in the accounts of the Target Company for the year ended 31 December 2023, arising from the write-off of intra-group balances (the “**Intra-group Balances**”) with other members of the Group (the “**Remaining Group**”), which do not form part of the subject matter of the Disposal, before the Disposal. The Intra-group Balances comprise the investment costs in Wealth Link and the expenses and other miscellaneous payment in advance, which were paid by the Remaining Group on behalf of the Target Company. The Intra-group Balances were interest-free and with no fixed repayment term.

Write-off of the Intra-group Balances (the “**Write-off**”) before the Disposal is based on the followings:

- (a) the Write-off sets off the net amount due from the Target Company to the Remaining Group. This reflects a more realistic NAV of Target Group which was used as a basis in determining the Consideration;
- (b) the Write-off causes an increase in the NAV of Target Group, on which the Consideration was determined. This allows the Group to fix the repayment of the Intra-group Balances due from the Target Company at the time of entering into the SPA by including such repayment in the Consideration; and
- (c) the Write-off is agreed after arm’s length negotiation between the Company and the Purchasers.

Taking into account the advantages of the Write-off mentioned above and that the Write-off is agreed after arm’s length negotiation between the Company and the Purchasers, the Board is of the view that it is fair and reasonable to exclude the Intra-group Balances which form part of the subject matter of the Disposal.

Except as disclosed above, all the information in the Announcement remains unchanged.

Hong Kong, 23 February 2024

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

As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Lok Ka Ho, Ms. Liao Qinghua, Ms. Katsaya Wiriyachart and Mr. Fong Hang Fai as executive Directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wu Kai Tang as independent non-executive Directors.