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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)

**COOPERATION FRAMEWORK AGREEMENT
IN RELATION TO THE INTENDED ACQUISITION OF
51% EQUITY INTERESTS
IN A HIGH-TECH INTELLIGENT MANUFACTURING ENTERPRISE**

Pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Board of Directors of the Company announces that, after trading hours on the Stock Exchange on 21 February 2022, the Company entered into a non-legally binding cooperation framework agreement with the Potential Vendor in relation to the Possible Acquisition, the principal terms of which are set out below.

COOPERATION FRAMEWORK AGREEMENT

Pursuant to the Cooperation Framework Agreement, it is proposed that the Company acquire a minimum of 51% share capital in the Target Company, Zhongshan Yaosheng Electrical Appliance Manufacture Co., Ltd.# (中山市耀升電器製造有限公司) from the Potential Vendor. As at the date of this announcement, the Target Company is a high-tech intelligent manufacturing technology enterprise incorporated in Zhongshan, Guangdong Province, the PRC. Founded in August 2003, it focuses on the research and development, integrated application of advanced 5G+ industrial internet technology, and production of various fashionable and high-quality small home appliances, providing customers with diversified solutions such as product research and development, mold development and integrated application of 5G technology and furnishing consumers with safe, energy-saving and intelligent home appliances as a fine interpretation of the notion of changing lives with technology.

Based on the network, built around the platform, supported by data as essential factors and guaranteed by security, the industrial internet is not only the infrastructure for the digital, internet-based and intelligent transformation of industries, but also the application mode for the deep integration of the Internet, big data, artificial intelligence with the real economy. Moreover, it is also a new business and new industry that will reshape the corporate form, supply chain and industrial chain.

Through the acquisition of the Target Company, the application and development of industrial internet information technology at the industrial enterprises and sectors in Trendzon Diandian Science and Technology Innovation City in which the Group has invested will be accelerated in the future to promote the deep integration of new information technology with the manufacturing industry and realise digitalisation, Internet-based development and intelligent development, in order to create a brand new manufacturing and service system in a step-by-step manner and facilitate the transformation and upgrading of industrial enterprises in the industry park, striving to fulfill the national goal of “carbon peak and carbon neutrality” and make due contribution to the advancement of sustainable development.

Reasons for and benefit of the Possible Acquisition

The Target Company plans to be relocated to Trendzon Diandian Science and Technology Innovation City invested by the Group, and will expand the development and comprehensive application of the above-mentioned technologies in Trendzon Diandian Science and Technology Innovation City, and make proper arrangement in the production of related products and technology research and development, so as to provide the Company and the Shareholders of the Company with better economic benefits. The Directors of the Company believe that the Cooperation Framework Agreement is entered into to explore the possibility of diversifying the investment business portfolio of the Group. The Target Company intends for the entire company to be relocated to Trendzon Diandian Science and Technology Innovation City invested by the Group in the future. The Target Company’s research and development capabilities will be fully utilised in the research and development of molds and smart, healthy and creative electrical products to provide related supporting services for other enterprises in Diandian Science and Technology Innovation City, which will bring better economic benefits to the park in the future. The Group’s intended acquisition of the business of that company is in the interest of the Company and its shareholders as a whole. The Directors are of the view that the terms of the Cooperation Framework Agreement are fair and reasonable.

Consideration for the Acquisition

The consideration for the Possible Acquisition will be subject to further negotiation between the parties to the Cooperation Framework Agreement based on the valuation of the Target Company to be conducted by an independent professional valuer.

The consideration for the Possible Acquisition shall be settled by cash and/or procuring the Company’s allotment and issuance of new Shares or such other methods as agreed between the parties to the Cooperation Framework Agreement.

Due Diligence for the Acquisition

The Company will conduct the due diligence review on the assets, indebtedness, operation and other aspect of the Target Company as it may consider appropriate and the Potential Vendor shall provide such assistance as the Company may require in connection with such review.

Formal Agreement for the Acquisition

The Company and the Potential Vendor will proceed with further negotiations as soon as practicable to enter into the Formal Agreement. The Cooperation Framework Agreement does not constitute a legally-binding undertaking of the parties to the Cooperation Framework Agreement in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is materialised, the Possible Acquisition will constitute a notifiable transaction of the Company pursuant to the Listing Rules and the Company will comply with the relevant requirements under the Listing Rules as and when appropriate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Potential Vendor is a third party independent of and not connected with the Company and its connected persons.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Company and the Potential Vendor as at the date of this announcement. If the Possible Acquisition materialises, it will constitute a notifiable transaction of the Company pursuant to the Listing Rules.

Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement is signed.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Trendzon Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Company and the Potential Vendor in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Cooperation”	the non-legally binding Cooperation Framework Agreement dated 21 February 2022 entered into between the Potential Vendor and the Company setting out preliminary understanding in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of a minimum of 51% equity interests in the Target Company by the Company as contemplated under the Cooperation Framework Agreement and subject to the execution of the Formal Agreement
“Potential Vendor”	an individual who is the beneficial owner of 51% equity interests in the Target Company as at the date of this announcement
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhongshan Yaosheng Electrical Appliance Manufacture Co., Ltd.# (中山市耀升電器製造有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 21 February 2022

As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Lok Ka Ho and Mr. Fong Hang Fai as executive directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Tong Wing Chi and Mr. Lui Kwun Yuen as independent non-executive directors.

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.