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**DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
SHENZHEN YUEYANG SUPPLY CHAIN
MANAGEMENT COMPANY LIMITED**

THE ACQUISITION

The Board is pleased to announce that, on 3 September 2020 (after trading hours), the Vendor, the Purchaser (a wholly-owned subsidiary of the Company) and the Target Company entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Equity Interest, representing the entire paid up capital of the Target Company, at a consideration of RMB850,000 (equivalent to approximately HK\$963,000) to be paid in cash on the first anniversary of the Completion Date.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the Group's consolidated financial statements.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date: 3 September 2020 (after trading hours)

Parties: (i) Shenzhen No. 7 Yanghang E-commerce Company Limited* (深圳七號洋行電子商務有限公司), being the Vendor;

(ii) Shenzhen Zhengyuan Supply Chain Company Limited* (深圳市正原供應鏈有限公司), a wholly-owned subsidiary of the Company, being the Purchaser; and

(iii) Shenzhen Yueyang Supply Chain Management Company Limited* (深圳越洋供應鏈管理有限公司), a wholly-owned subsidiary of the Vendor, being the Target Company.

(each a “**Party**” and collectively, the “**Parties**”)

Save for the cooperation service agreement dated 2 July 2019 entered into between the Vendor and the Company and the Supply Chain Agreement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor and the Target Company and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) as at the date of this announcement. The Vendor and the Target Company are ultimately owned by Zhou Qinwu* (周欽武) as to 33.25%, Ma Xingzhong* (馬興忠) as to 30.00%, Xiao Weichuan* (肖偉川) as to 10.00%, Fang Junhong* (方俊洪) as to 10.00%, Zhou Zhaoting* (周昭廷) as to 10.00%, Xie Yalong* (謝亞龍) as to 5.00% and Liu Zhiwu* (劉志武) as to 1.75%.

Assets to be acquired

Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Equity Interest, representing the entire paid up capital in the Target Company upon Completion. Immediately before Completion, the Vendor is the legal and beneficial owner of the Equity Interest.

Consideration

The Consideration shall be RMB850,000 (equivalent to approximately HK\$963,000), which shall be paid in cash on the first anniversary of the Completion Date.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the unaudited net asset value of the Target Company of approximately RMB848,000 (equivalent to approximately HK\$961,000) as at 31 July 2020 as stated in its management account. A valuation report conducted by an independent valuer showed that the appraised value of the Equity Interest as at 30 June 2020 is RMB1,075,000 (equivalent to approximately HK\$1,218,000) using market approach (the "**Valuation**"). The Consideration represents a discount of approximately 21% to the Valuation. In light of the above, the Board is of the view that the terms and conditions of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

Conditions precedent

Completion is conditional upon, *inter alia*, the following conditions precedent being fulfilled:

- (i) the Vendor having completed the relevant procedures of change of industrial and commercial registration in relation to the transfer of the Equity Interest, and having obtained the updated business license or other updated documents of industrial and commercial registration;
- (ii) the Vendor having completed the corresponding registration procedures with the relevant taxation and other related departments;
- (iii) the Purchaser having completed and being satisfied with the result of the legal, business and financial due diligence of the Target Company; and
- (iv) the warranties given by the Vendor under the Agreement having remained true, accurate and not misleading in all material respects as if repeated prior to Completion and at all times between the date of the Agreement and the Completion Date.

The Vendor agreed to use its best endeavours to fulfill conditions precedent (i), (ii), and (iv) above. If the conditions precedent above are not fulfilled or waived by the Purchaser prior to the Completion Date (or such later date as the Vendor and the Purchaser may agree), the Agreement shall be terminated immediately and any party shall cease to have any rights or obligations under the Agreement, and without prejudice to any claim for damages by any party or the exercise of any other rights, powers or remedies under the Agreement or otherwise provided by the laws of the PRC, the rights and obligations that both parties have already accrued shall continue to be valid prior to the termination of the Agreement.

Completion

Completion shall take place on the Completion Date.

Personal Guarantee

On 3 September 2020, the Guarantor executed a deed of guarantee in favour of the Purchaser, pursuant to which, the Guarantor unconditionally, completely and irrevocably agreed to provide guarantee against obligations of the Vendor and the Target Company under the Agreement and agreed to compensate the Purchaser for all liabilities and/or debts incurred by the Vendor and/or the Target Company for failing to fulfill their respective obligations under the Agreement.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

Information on the Vendor

The Vendor is a company established in the PRC with limited liability and is principally engaged in cross-border e-commerce integrating overseas direct procurement, import and export supply chain management, commodities promotion and distribution (business-to-business) service. As at the date of the Agreement, it holds the Equity Interest.

Information on the Target Company

The Target Company is a company established in the PRC with limited liability and is principally engaged in online business activities, research and development of e-commerce platform network technology, online business information consultation, domestic trade and wholesale and sales of food. The Target Company has a comprehensive cross-border e-commerce platform, which supports imported supply chain services and information technology services.

The following is a summary of the financial information of the Target Company as extracted from its audited financial statements for the years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December 2018	For the year ended 31 December 2019
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB</i>	<i>RMB</i>
	<i>Approximately</i>	<i>Approximately</i>
Revenue	2,393,000	3,038,000
Net profit before tax	364,000	1,121,000
Net profit after tax	364,000	1,121,000

The unaudited net asset value of the Target Company as at 31 July 2020 is approximately RMB848,000 (equivalent to approximately HK\$961,000) as stated in its management account.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the Group's consolidated financial statements.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the (i) provision of finance leasing and consultancy services in finance leasing business (earning interest income, handling fee and consultancy fee) and purchasing of leased assets; and (ii) cross-border trading business of nutrition food and health care products.

As disclosed in the annual report of the Company for the year ended 31 December 2019, the Group has continuously been developing and expanding its sales network. With the novel coronavirus (“COVID-19”) pandemic outbreak, online shopping is gaining popularity expeditiously due to the implementation of various emergency measures by the PRC government to combat the spread of the COVID-19 pandemic which are favourable to the cross-border trading business of the Group and in view of the recent development of health conscious, it is expected that the demand for nutrition food and health care products will continue to increase and provide opportunities to the Group. Furthermore, in recent years, the PRC government has implemented a number of measures to support the cross-border online trading industry, including but not limited to tax incentives. With the impetus given by the PRC government, the prospect of the cross-border online trading industry is expected to be promising.

The Group is currently importing its nutrition food and health care products into the PRC through the services provided by the Target Company under the Supply Chain Agreement whereby the Group’s nutrition food and health care products are delivered to and stored at a bonded warehouse leased from the Target Company located at Futian Free Trade Zone in Shenzhen for onward sale and delivery to customers in the PRC. With gradual expansion of the Group’s cross-border trading business and the recent increase in demand for the Group’s products in the PRC, it is important for the Group to secure stable import services into the PRC and the Acquisition provides the opportunity for the Group to create a complete one-stop service for the import of its nutrition food and health care products in the PRC, including but not limited to overseas pick-up and customs clearance, transport between the PRC and Hong Kong, bonded customs declaration and inspection, bonded warehousing, order sorting, customs clearance for goods entering into the PRC border and delivery of goods in the PRC. This will enhance the competitive edge of the Group as it is anticipated that upon Completion, the Group will be able to expediate the cross-border trading logistic and the administrative and custom clearance process which make cross-border trading more efficient.

The Board believes that the Acquisition allows the Company to improve the efficiency of its cross-border import process and will provide a stable and long-term support to the expansion of the cross-border trading business of the Group. The Board is of the view that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Equity Interest
“Agreement”	the equity transfer agreement dated 3 September 2020 entered into among the Vendor, the Purchaser and the Target Company in relation to the Acquisition
“Board”	the board of directors of the Company
“Company”	Momentum Financial Holdings Limited (正乾金融控股有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Completion”	the completion of the Acquisition in accordance with the terms of the Agreement
“Completion Date”	not later than 30 September 2020 or such later date as the Parties may agree in writing, subject to the fulfillment of the conditions precedent of the Agreement
“Consideration”	RMB850,000 (equivalent to approximately HK\$963,000), being the consideration of the Equity Interest to be paid by the Purchaser to the Vendor pursuant to the Agreement
“Equity Interest”	all duly paid registered capital and related rights of the Target Company and all the interests and rights attached to it on the Completion Date
“Group”	the Company and its subsidiaries
“Guarantor”	Zhou Qinwu* (周欽武), being the legal representative and director of the Target Company and the largest ultimate equity holder of the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China (for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Purchaser”	Shenzhen Zhengyuan Supply Chain Company Limited* (深圳市正原供應鏈有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supply Chain Agreement”	the supply chain agreement dated 13 June 2019 entered into between the Target Company and the Company
“Target Company”	Shenzhen Yueyang Supply Chain Management Company Limited* (深圳越洋供應鏈管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Vendor
“Vendor”	Shenzhen No. 7 Yanghang E-commerce Company Limited* (深圳七號洋行電子商務有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board
Momentum Financial Holdings Limited
Liu Xin Chen
Executive Director

Hong Kong, 3 September 2020

As at the date of this announcement, the Board comprises four executive directors of the Company, namely, Mr. Ng Hoi, Mr. Huang Jian, Mr. Liu Xin Chen and Mr. Chan Chun Man; one non-executive director of the Company, namely, Mr. Chong Yu Keung; and three independent non-executive directors of the Company, namely, Mr. Yeh Tung Ming, Mr. Wong Lap Wai and Mr. Li Guang Jian.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.133 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

* For identification purposes only