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## **eBROKER GROUP LIMITED**

**電子交易集團有限公司**

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

**(Stock code: 8036)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY IN THE PRC AND CHANGE IN USE OF PROCEEDS**

#### **THE ACQUISITION**

The Board is pleased to announce that on 22 January 2020 (after trading hours), the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the Acquisition, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Property at the Consideration of RMB13,000,000 (equivalent to approximately HK\$14,820,000).

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio as defined under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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The principal terms of the Agreement are summarized below.

**Date:** 22 January 2020 (after trading hours)

**Parties:** (1) Purchaser

(2) Vendor

The Vendor is a company established in the PRC and is principally engaged in software development services in the PRC. As at the date of this announcement, the Vendor is indirectly and wholly owned by FOT (HK), which is in turn owned as to approximately 16.67% jointly by Mr. Chan and Ms. Cheung and 83.34% by Capital Master. Mr. Chan is an executive Director, chairman and one of the controlling shareholders of the Company, and Ms. Cheung, Mr. Chan's spouse, is also one of the controlling shareholders of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the interest held by Mr. Chan and his spouse in FOT (HK), each of the Vendor and its ultimate beneficial owners is an Independent Third Party.

### **Subject of the Acquisition**

Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Property.

### **Information of the Property**

The Property is an office premises with a gross floor area of approximately 371.92 square metres located in Luohu, Shenzhen, the PRC. The land use rights of the Property were granted for a term commencing on 15 May 2008 and expiring on 14 May 2058.

The Property is currently occupied by the Purchaser with a tenancy of a term of six months commenced from 1 November 2019 and will expire on 30 April 2020 for a monthly rental of RMB63,433 (equivalent to approximately HK\$72,314). If Completion takes place before the expiry of the existing tenancy, the existing tenancy will be terminated on the date of Completion and the Group will continue to use the Property as its research and development centre in the PRC.

As at 31 December 2019, the Property was valued by an independent professional valuer at approximately RMB13,000,000 (equivalent to approximately HK\$14,820,000) on a market value basis and the book value at cost of the Property is approximately RMB11,468,422 as at 31 December 2019.

## **Consideration**

The Consideration for the Acquisition is RMB13,000,000 (equivalent to approximately HK\$14,820,000) which shall be paid in the following manner:

Upon the signing of the Agreement, at the instruction of the Vendor, the Deposit in the sum of RMB2,600,000 (equivalent to HK\$2,964,000) shall be paid by eBroker Systems (HK), an indirect wholly-owned subsidiary of the Company and a holding company of the Purchaser, to the Vendor or its nominee as refundable deposit.

Should Completion takes place, (i) the Vendor shall refund or procure its nominee to refund the Deposit to eBroker Systems (HK) within 10 days after the date of Completion; and (ii) the Consideration in the sum of RMB13,000,000 (equivalent to HK\$14,820,000) shall be paid by the Purchaser to the Vendor on Completion.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations with reference to, amongst other things, the valuation report prepared by an independent professional valuer as at 31 December 2019 and the current market value of comparable properties in the proximity of the Property. The Consideration will be financed by the net proceeds from the share offer by the Company in February 2019, the Group's internal resources and/or bank borrowings.

## **Completion**

Completion of the Agreement shall be conditional upon fulfillment of the following conditions precedent:

- (1) the Vendor has title to the Property which is free from all encumbrances and restrictions;
- (2) the transactions contemplated under the Agreement being transacted in accordance with the requirements under the applicable GEM Listing Rules;
- (3) all necessary approvals, authorisations, consents, licences and certificates from the regulatory authorities and other third party having been obtained, and remain in full force and effect;
- (4) execution and delivery (or caused to be executed and delivered) of all documents that the Vendor is required to execute and deliver in contemplation of the transaction under the Agreement;
- (5) the Purchaser obtaining the bank borrowings for the payment of remaining balance of the Consideration; and
- (6) there being no applicable laws which prohibit, restrict or impose conditions on Completion

Completion of the Agreement shall take place on or before the Long Stop Date (i.e. 30 April 2020). If any of the conditions above is not satisfied pursuant to the Agreement on or before the Long Stop Date, the Agreement shall be terminated, whereupon the Deposit of RMB2,600,000 (which had been paid upon the signing of the Agreement) shall be refunded by the Vendor or its nominee (as the case may be) to eBroker Systems (HK) without interest within 10 days after the termination of the Agreement, and except as otherwise provided in the Agreement, neither party to the Agreement shall have any further rights or obligations under the Agreement.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AND CHANGE IN USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in the provision of financial software solution services to primarily financial institutions (including mainly brokerage firms, proprietary trading firms and wealth management companies) in Hong Kong.

Reference is made to the Prospectus, the announcement of the Company dated 18 February 2019 in relation to, among others, the allotment results and the third quarterly report of the Company for the nine months ended 30 September 2019 in relation to the updates regarding utilization of proceeds from the share offer.

As disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the Company intended to apply, among others, approximately 40.5% of the net proceeds from the share offer for acquiring a property in Qianhai, Shenzhen, the PRC to establish a research and development centre (the “**Intended Use**”). Based on the final offer price of HK\$0.28 per offer share, the net proceeds from the share offer, after deducting the underwriting commission and other expenses in relation to the share offer, were approximately HK\$23.3 million. The net proceeds from the share offer allocated to the Intended Use amounted to approximately HK\$9.4 million.

For the purpose of initial set up of the research and development centre in Shenzhen, the Purchaser has rented the Property from the Vendor since November 2019 for a term of six months and is currently using the Property as its research and development centre. Nevertheless, the Company has attempted to identify suitable properties as its research and development centre in various part of Shenzhen, the PRC. Having considered the cost, the size and accessibility of the properties available in Qianhai, the Board is of the view that the acquisition of a property for office use in Qianhai as originally planned may not be optimal for the Company’s development. Further, given the strategic location of the Property in Luohu, Shenzhen, which is in close proximity to the Group’s headquarter in Hong Kong and the Group could avoid incurring additional costs for relocation by acquiring the Property which it is currently using, the Board is of the view that the Acquisition and the terms of the Agreement are fair and reasonable and, together with the abovementioned change in the location of establishment of the Group’s research and development centre, are in the best interests of the Company and its shareholders as a whole.

Save for the abovementioned change in the location of establishment of the Group’s research and development centre, there is no other change in the use of proceeds from the share offer.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as defined under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement and the supplemental agreement dated 22 January 2020 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors from time to time
“Capital Master”	Capital Master Limited, a company incorporated in Hong Kong with limited liability which is owned by Independent Third Parties
“Company”	eBroker Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the Agreement
“Consideration”	the consideration for the Acquisition, which amounts to RMB13,000,000 (equivalent to approximately HK\$14,820,000)
“Deposit”	the refundable deposit in the sum of RMB2,600,000 (equivalent to approximately HK\$2,964,000) payable by the Purchaser to the Vendor upon signing of the Agreement
“Directors”	the directors of the Company
“eBroker Systems (HK)”	eBroker Systems (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“FOT (HK)”	Front Office Technology (HK) Company Limited, a company incorporated in Hong Kong with limited liability which is owned as to 83.34% by Capital Master and 16.66% jointly by Mr. Chan and Ms. Cheung
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Long Stop Date”	30 April 2020 (or such later date as the Purchaser and the Vendor may agree in writing)
“Mr. Chan”	Mr. Chan Lap Tak Douglas, an executive Director, Chairman and one of the controlling shareholders of the Company
“Ms. Cheung”	Ms. Cheung Mee Kuen, Amy, the spouse of Mr. Chan and one of the controlling shareholders of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau special Administrative Region of the PRC and Taiwan
“Property”	an office premises located at Unit 32C and 32D, Block B, Honglong Century Plaza, 4002 Shennan East Road, Luohu District, Shenzhen, the PRC (深南東路4002號鴻隆世紀廣場B座32C、32D)
“Prospectus”	the prospectus of the Company in relation to the share offer and listing of the Shares on GEM on the Stock Exchange dated 30 January 2019
“Purchaser”	Qianhai eBroker Information Technology (Shenzhen) Company Limited* (前海易博信息技術(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.001 each in the share capital of the Company

“Shareholders”	holders of the issued Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shenzhen Yiboke Financial Engineering Systems Company Limited (深圳易博科金融工程系統有限公司), 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  
**eBroker Group Limited**  
**Chan Lap Tak Douglas**  
*Chairman and executive Director*

Hong Kong, 22 January 2020

*\*All the English translations of certain Chinese names or words in this announcement are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1.00 = HK\$1.14 has been used, where applicable, for the purpose of illustration only and shall not constitute a representation that any amounts have been, could have been or may be exchanged.*

*As at the date of this announcement, the executive Directors are Mr. Chan Lap Tak Douglas and Mr. Lo Chi Ho; and the independent non-executive Directors are Mr. Chan Chi Kwong Dickson, Mr. Liu Kin Sing and Mr. Au Yeung Po Fung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 website of GEM at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.ebrokersystems.com](http://www.ebrokersystems.com).*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*