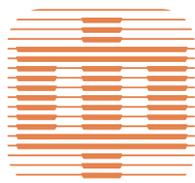


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CHAMPION TECHNOLOGY HOLDINGS LIMITED

冠軍科技集團有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 92)

DISCLOSEABLE TRANSACTION DISPOSAL OF ENTIRE EQUITY INTEREST IN TARGET COMPANY

THE DISPOSAL

On 30 June 2023, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest in the Target Company at a consideration of RMB7.5 million. Upon Completion, the Company will no longer have any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment and/or, where applicable, waiver of the Condition Precedent under the Equity Transfer Agreement. As the Disposal may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board hereby announces that on 30 June 2023, the Vendor and the Purchaser entered into the Equity Transfer Agreement, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest in the Target Company at a consideration of RMB7.5 million.

EQUITY TRANSFER AGREEMENT

Principal terms of the Equity Transfer Agreement are set out as below:

- Date : 30 June 2023
- Parties : (a) the Vendor (an indirect wholly-owned subsidiary of the Company)
(b) the Purchaser

Subject Matter

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest in the Target Company. The original acquisition cost of the Target Company was RMB7 million.

Consideration and Payment Terms

The consideration for the transfer of the entire equity interest in the Target Company is RMB7.5 million. The consideration shall be paid by the Purchaser to the Vendor by instalments in the following manner, or in any such manner the Vendor and Purchaser otherwise agree in writing:

- (i) on or before 30 June 2023, RMB2 million shall be settled by the Purchaser;
- (ii) on or before 30 October 2023, RMB1 million shall be settled by the Purchaser; and
- (iii) on or before 29 November 2023, RMB4.5 million shall be settled by the Purchaser.

Basis of the Consideration

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser, after considering various factors, including by reference to the Target Group's unaudited net asset value as at 30 April 2023 and Purchaser's positive view of the future of Target Group, based on the above, the Directors are of the view that the consideration and the terms of the Equity Transfer Agreement for the Disposal are fair and reasonable.

Condition Precedent

The Completion is conditional on the Vendor, Purchaser and the Target Company having obtained all necessary consents and approvals for the Equity Transfer Agreement and the transactions contemplated thereunder in respect of the Equity Transfer Agreement, the Disposal and the new constitutional documents of the Target Company.

The Purchaser may at its absolute discretion with or without any condition waive the above Condition Precedent in writing. In the event that the Condition Precedent is not fulfilled or waived on or before the Long Stop Date, the Equity Transfer Agreement shall terminate and all obligations of the Vendor and the Purchaser under the Equity Transfer Agreement shall cease and determine except otherwise provided in the terms of the Equity Transfer Agreement. This shall not prejudice or affect any rights of any party to the Equity Transfer Agreement that arise under the terms of the Equity Transfer Agreement before the termination.

Completion

Completion shall be effected on the Business Day upon the fulfillment or, if applicable, waiver of the Condition Precedent or on such other date the parties otherwise agree in writing, on which date the parties shall file the application for the change of ownership of the entire equity interest in the Target Company with the local market supervision department and the first installment of the consideration i.e. RMB2 million shall be received by the Vendor.

Upon Completion, the Company will no longer have any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

Letter of personal guarantee

To secure the due performance of the Purchaser's obligations under the Equity Transfer Agreement, on 30 June 2023, the letter of personal guarantee was entered into by 孫佐民 (Sun Zuomin*) (“**Mr. Sun**”) and 張庭武 (Zhang Tingwu*) (“**Mr. Zhang**”), as guarantors for the obligations of the Purchaser under the Equity Transfer Agreement, pursuant to which Mr. Sun and Mr. Zhang had irrevocably agreed to provide personal guarantees for the due performance of the Purchaser's obligations under the Equity Transfer Agreement. Each of Mr. Sun and Mr. Zhang assumes 50% of the Purchaser's liability under the Equity Transfer Agreement.

Mr. Sun is the general manager of the Target Company and an Independent Third Party. Mr. Zhang was a past shareholder of the Target Company and an Independent Third Party.

REASONS FOR AND BENEFITS OF THE DISPOSAL

After having actively participated in the management of the business of the Target Company since mid-January 2023, the Company has noted that it might heavily strain the Company's resources to cater for the lengthy time and substantial investment required to build up a sizeable and sustainable business network for the smart charging cabinets, battery replacement cabinets, charging piles, smart power management platforms, fire-fighting Internet of Things (“IoT”) cloud platforms and other intelligent cloud platforms. Therefore, the Board has decided to dispose of the entire equity interest in Target Company to realize such investment and enhance the Group's liquidity position.

The Directors (including the independent non-executive Directors) consider that the Disposal was negotiated on normal commercial terms and the terms of the Equity Transfer Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Group expects to recognise an unaudited gain of approximately HK\$100,000 as a result of the Disposal, which is calculated based on the difference between (i) the consideration received from the Disposal and (ii) the cost of investment in the Target Company. The actual financial effect as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company.

Upon Completion, the Group will no longer have any equity interest in the Target Company and since the Board considers the investment in the Target Company is for the short term, the financial results, assets and liabilities of the Target Company are not expected to be consolidated into the financial statements of the Group.

The proceeds from the Disposal are intended to be used by the Group for the general working capital.

INFORMATION OF THE PARTIES

The Company is a company continued in Bermuda with limited liability and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the trading of gas oil and trading of cultural products, system sales including renewable energy systems and the related engineering work, software development, licensing and customization, of system products including payment gateways and IoT and strategic investment.

The Purchaser is a company established in the PRC with limited liability, owned as to 99% and 1% by 譙蘇城 (Qiao Sucheng*) and 王錚 (Wang Zheng*), respectively. The Purchaser is principally engaged in the development of science and technology and providing technical services. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

The Vendor is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in smart city IoT solution provider, data centre installation and equipment provider, procurement of technology related products, research and development of security equipment and computer software development.

The Target Company is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Vendor. The Target Company is principally engaged in utilizing IoT and big data platforms in the provision of smart and safe charging solutions for electric bicycles, as well as smart city safe power management and smart fire protection.

Set out below is the key unaudited financial information for the financial years ended 31 December 2021 and 2022 and the four-month period ended 30 April 2023 of the Target Company, both prepared according to the PRC accounting standards. The value of the entire equity interest in the Target Company as at 30 April 2023 was approximately RMB1.6 million.

	For the period ended 30 April 2023 RMB (unaudited)	For the year ended 31 December	
		2022 RMB (unaudited)	2021 RMB (unaudited)
Profits/(loss) before tax	(939,000)	441,519	815,520
Profits/(loss) after tax	(939,000)	372,609	813,870

As at 31 December 2021 and 2022 and 30 April 2023, the total assets of the Target Company amounted to approximately RMB9.3 million, RMB8.8 million and RMB15.3 million, respectively.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment and/or, where applicable, waiver of the Condition Precedent under the Equity Transfer Agreement. As the Disposal may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Business Day(s)”	a day on which banks are open for general business in Hong Kong (excluding Saturday, Sunday, public holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted or “extreme conditions” are announced in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“Company”	Champion Technology Holdings Limited, a company continued in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 92)
“Completion”	completion of the Disposal
“Condition Precedent”	the condition precedent to the completion of the sale and purchase of the entire equity interest in the Target Company set out in the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the entire equity interest in the Target Company by the Vendor
“Equity Transfer Agreement”	the equity transfer agreement dated 30 June 2023 entered into between the Vendor and the Purchaser for the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) which is a third party independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	10 days after the date of the Equity Transfer Agreement or such other date as the Vendor and the Purchaser may agree in writing

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	北京益國宏圖科技有限公司 (Beijing Yiguo Hongtu Technology Co., Ltd.*), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	北京明信智聯技術有限公司 (Beijing Mingxin Zhilian Technology Co., Ltd.*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Vendor
“Vendor”	駿沛通訊器材(深圳)有限公司 (Jun Pei Communication Equipment (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board
Champion Technology Holdings Limited
Wong Man Winny
Chairperson

Hong Kong, 30 June 2023

As at the date of this announcement, the executive Director is Ms. Wong Man Winny; the non-executive Directors are Mr. Liu Ka Lim and Ms. To Yin Fong Cecilica; and the independent non-executive Directors are Mr. Leung Man Fai, Mr. Chan Yik Hei and Mr. Wong Yuk Man Edmand.

* For identification purposes only