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CBK Holdings Limited

國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

On 29 August 2024, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Shares Transfer Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares, representing 100% of the issued share capital of the Disposal Company for a consideration of HK\$200,000.

Upon Completion, the Disposal Company will no longer be a subsidiary of the Company, and the Company will cease to hold any of the issued share capital of the Disposal Company. Accordingly, the financial results of the Disposal Company will no longer be consolidated into the consolidated financial statements of the Group.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE DISPOSAL

On 29 August 2024, the Vendor and the Purchaser entered into the Shares Transfer Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares for a consideration of HK\$200,000. Details of the Shares Transfer Agreement are set out in this announcement below.

SHARES TRANSFER AGREEMENT

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

Date: 29 August 2024

Parties: (1) the Vendor, a wholly-owned subsidiary of the Company;
and
(2) the Purchaser

The Purchaser is a Chinese citizen. 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 as at the date of this announcement.

Subject matter: The Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Sale Shares, representing 100% of the issued share capital of the Disposal Company.

Consideration: HK\$200,000.

Payment terms: The sum of HK\$200,000 shall be paid by the Purchaser to the Vendor upon completion of the Shares Transfer Agreement.

The Consideration was determined after arm's length negotiations between the parties with reference to the latest unaudited management account of the Disposal Company as at the Completion Date and the financial performance of the Disposal Company as set out in the section headed "Information on the Disposal Company" of this announcement, as well as the asset value of the Disposal Company.

Completion of the Disposal took place immediately after signing of the Shares Transfer Agreement.

INFORMATION ON THE DISPOSAL COMPANY

The Disposal Company is a limited liability company incorporated in Hong Kong which is beneficially owned as to 100% by the Vendor as at the date of the Share Transfer Agreement.

The Disposal Company is mainly holding the right-of-use assets and lease liabilities in relation to an office premise.

The audited financial results of the Disposal Company for the two years ended 31 March 2024 which are prepared in accordance with the accounting principles generally accepted in Hong Kong are as follows:

	For the year ended 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	–	–
Loss for the year	1,329	20

The Disposal Company recorded net assets (excluding intercompany loans) of approximately HK\$262,000 as at 29 August 2024.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Group will no longer have any interest in the Disposal Company and the Disposal Company will cease to be accounted as a subsidiary of the Group.

The estimated loss on the Disposal attributable to the owner of the Company based on the Consideration less the unaudited net assets of the Disposal Company (excluding intercompany loans) to be transferred as at 29 August 2024 is approximately HK\$62,000.

Shareholders should note that the actual amount of the profit on the Disposal to be recognised in the consolidated financial statements of the Company depends on the value of the Sales Shares as at the date of the Shares Transfer Agreement and therefore may be different from the amount as mentioned above.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in restaurant operations and food processing business in Hong Kong.

The Disposal Company is mainly holding the right-of-use assets in relation to an office premise previously used as our principal place of business in Hong Kong, which the Group has been relocated from since July 2024. As such, even though the Disposal resulted to a loss, the Disposal will generate cost saving effect to the Group and reduce future monthly cash outflow. The Directors considered that the Disposal will enable the Company to realise its assets and to use the proceeds from the Disposal as the Group's general working capital.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is principally engaged in restaurant operations and food processing business in Hong Kong.

The Vendor is a wholly-owned subsidiary of the Company and was engaged in investment holdings.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, (i) the Purchaser is a Chinese citizen; and (ii) the Purchaser and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	CBK Holdings Limited (國茂控股有限公司), a company incorporated in the Cayman Islands with limited liability on 8 September 2016 and whose shares are listed on GEM of the Stock Exchange (stock code: 8428)
“Business Day(s)”	a day (not being a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Completion”	completion of the Disposal
“Completion Date”	the second Business Day after the last outstanding condition of the Share Transfer Agreement shall have been fulfilled or waived (or such other date agreed by the Purchaser and the Vendor in writing) on which Completion is to take place
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	HK\$200,000 to be paid by the Purchaser to the Vendor in cash

“Directors”	the directors of the Company
“Disposal”	the sale of the Sale Shares by the Vendor to the Purchaser
“Disposal Company”	Goldy Glory Limited (金榮輝有限公司), a company incorporated in Hong Kong with limited liability on 1 December 2021, and an indirect wholly-owned subsidiary of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM, as amended, modified and supplemented from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the GEM Listing Rules
“Purchaser”	Chen Li*, an Independent Third Party
“Sale Shares”	100% of the issued share capital of the Disposal Company
“Shareholders”	shareholder(s) of the Company
“Share Transfer Agreement”	the share transfer agreement dated 29 August 2024 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Best Honour Ventures Limited 卓譽創投有限公司, a company incorporated in British Virgin Islands with limited liability on 5 October 2021, which is a wholly-owned subsidiary of the Company

“%” per cent.

* For identification only

By order of the Board
CBK Holdings Limited
Chow Yik
Chairman

Hong Kong, 29 August 2024

As at the date of this announcement, the Board comprises Mr. Chow Yik and Mr. Tsui Wing Tak as executive Directors; and Mr. Tian Wuchun and Ms. Lau Man Kei as independent non-executive Directors.

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 the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at <https://cbkholdings.etnet.com.hk>.