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U BANQUET GROUP HOLDING LIMITED

譽宴集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1483)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO THE ACQUISITION OF AND
CAPITAL INJECTION INTO
BEIJING YUNLING TECHNOLOGY CO., LTD.**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 23 March 2021 (after trading hours), the Company entered into the MOU with the Target Company and Mr. Guo Peng in relation to the acquisition made to the Transferor for the entire equity interest in the Target Company held by the Transferor and the capital injection into the Target Company.

THE MOU

Date: 23 March 2021

Parties:

- (1) the Company
- (2) the Target Company
- (3) the Transferor
- (4) Mr. Guo Peng

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Mr. Guo Peng, the Target Company and the Transferor are Independent Third Parties.

MAJOR TERMS OF THE MOU

Details and manner of the cooperation

The Company, the Transferor and the de facto controller have reached a non-legally binding intention that the Company (or its designated wholly-owned subsidiary(ies)) will acquire the entire equity interest in the Target Company held by the Transferor with an amount of not more than RMB50 million, and that the Company will immediately contribute an amount of not more than RMB70 million in paid-up capital to the Target Company, which will be used to pay the remaining consideration for the purchase of the Xiaoji Emulator App for Doume Technology, and the investment amount will be paid in cash and/or convertible bonds (the “Proposed Capital Injection”).

EXCLUSIVE PERIOD

For a period of four (4) months or such other period as the parties may otherwise agree in writing after the execution of the MOU becomes effective, the de facto controller, the Transferor and the Target Company shall not commence negotiations or enter into any transaction arrangements and legal documents with third parties other than the Investor or the Investor’s designated related company(ies) in respect of the same or similar transactions as the Transaction.

TERMINATION

The MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusive Period; or
- (ii) the date of execution of the Formal Agreement.

Except for provisions in relation to the exclusivity and confidentiality, the MOU shall not be legally binding on the parties hereto. Further Formal Agreement(s) will be reached among the Company, Mr. Guo Peng, the Transferor and the Target Company to detail the implementation of the Proposed Capital Injection. Further announcement(s) in respect of the Proposed Capital Injection in compliance with the Listing Rules will be made by the Company as and when appropriate.

INFORMATION OF THE GROUP

The Company is an investment holding company and its subsidiaries (collectively, the “Group”) are principally engaged in environmental maintenance business, property leasing and securities trading business.

INFORMATION ON THE TARGET COMPANY

The Target Company, Beijing Yunling Technology Co., Ltd.* (北京雲聆科技有限公司), is a wholly-foreign-owned enterprise to be established in the PRC by the Transferor. Currently, the company name has been approved and the registration of establishment is in the process. The place of registration is proposed to be No. 3068, Level 3, Building 4, Area 1, No. 188 South Sihuan West Road, Fengtai District, Beijing, with a proposed registered capital of RMB70 million.

Upon completion of its establishment, it will effectively control and enjoy all the operating revenue from Doume Technology through a series of contractual arrangements.

INFORMATION ON MR. GUO PENG

Mr. Guo Peng is the de facto controller of the Target Company and the Transferor and has the decision-making power over ordinary and extraordinary matters in the operations of the Target Company.

INFORMATION ON THE TRANSFEROR

Aikuyou (HK) Limited (the “Transferor”) is a company incorporated and validly existing under the laws of Hong Kong with limited liability. The address of its place of business is at Suite 2409, Everbright Centre, 108 Gloucester Road, Wanchai.

INFORMATION ON DOUME TECHNOLOGY

Doume Technology is a company established on 10 April 2020 and existing under the laws of the PRC with a registered and paid-up capital of RMB31 million. It is principally engaged in the operation of a social platform mobile application named “Doume* (抖麼)” and holds a value-added telecommunication business operation license. It is arranging for acquiring the “Xiaoji Emulator App”.

Doume Technology has signed the Xiaoji Emulator Transfer Agreement (《小雞模擬器轉讓協議》) and a series of supplemental agreements with Beijing Yidiantong Network Technology Co., Ltd.* (北京億點同網絡科技有限公司), the owner of the “Xiaoji Emulator App”, which provides for the purchase of the “Xiaoji Emulator App” at a price of RMB100 million, and has paid the first installment of transfer payment of RMB30 million and the remaining transfer payment of RMB70 million shall be paid by 31 March 2021 in accordance with the supplemental agreements.

REASONS FOR THE PROPOSED CAPITAL INJECTION

As disclosed in the Company's results announcement for the year ended 31 December 2020, the Group will explore business opportunities in other industries and double down on investments in high-growth businesses in the PRC, including high technology, software consulting and internet service related business. The Company expects that those businesses will flourish in the post-pandemic economic environment in order to generate a stable and constant stream of income to the Group and create long term value for the Company's Shareholders. The Board considers that the Proposed Capital Injection represents an opportunity to the Group. The Xiaoji Emulator App which has a large active user base in the PRC will generate higher returns and additional revenue sources to the Group, which is beneficial to and in the interest of the Company and its Shareholders a whole.

The Company will make further announcement(s) as and when appropriate and comply with all applicable requirements under the Listing Rules.

As the MOU may or may not be materialized, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	U Banquet Group Holding Limited, a company incorporated in the Cayman Islands, whose Shares are listed on the Main Board (stock code: 1483)
“Connected Persons”	having the meaning ascribed to such term in the Listing Rules
“Director(s)”	the director(s) of the Company
“Doume Technology”	a company established on 10 April 2020 and existing under the laws of the PRC whose effective control and all the operating revenue is owned and enjoyed by the Target Company. It is arranging for acquiring the “Xiaoji Emulator App”
“Exclusive Period”	the four-month period from the date of the MOU

“Formal Agreement(s)”	the formal legally binding agreement(s) that may be entered into among the Company, the Target Company, the Transferor and Mr. Guo Peng in connection with the MOU in the event that the parties proceed with the possible acquisition of and capital injection into the Target Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its Connected Persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“MOU”	the memorandum of understanding dated 23 March 2021 entered into among the Company, the Target Company, the Transferor and Mr. Guo Peng setting out the preliminary understanding in relation to the acquisition of and capital injection into the Target Company
“Mr. Guo Peng”	Mr. Guo Peng, the de facto controller of the Target Company and the Transferor, having decision-making power over ordinary and extraordinary matters in the operations of the Target Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) in the capital of the Company

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	The Target Company, Beijing Yunling Technology Co., Ltd. * (北京雲聆科技有限公司), is a wholly foreign owned enterprise to be established in the PRC by the Transferor. Currently, the company name has been approved and the registration of establishment is in the process. The place of registration is proposed to be No. 3068, Level 3, Building 4, Area 1, No. 188 South Sihuan West Road, Fengtai District, Beijing, with a proposed registered capital of RMB70 million
“Transferor”	Aikuyou (HK) Limited (the “Transferor”) is a company incorporated and validly existing under the laws of Hong Kong with limited liability. The address of its place of business is at Suite 2409, Everbright Centre, 108 Gloucester Road, Wanchai
“Xiaoji Emulator App”	a large emulator game platform in the PRC with an average number of daily active users amounting to approximately 400,000 during the period from 1 January 2021 to the date of this announcement
“%”	per cent

By order of the Board
U Banquet Group Holding Limited
Sang Kangqiao
Chairman and Executive Director

Hong Kong, 23 March 2021

As at the date of this announcement, the Executive Directors are Mr. Sang Kangqiao, Mr. Xu Wenze and Mr. Cui Peng; and the Independent Non-executive Directors are Mr. Xu Zhihao, Mr. Lam Ka Tak and Mr. Wong Sincere.

* *For identification purposes only*