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**Asia-Pac Financial Investment Company Limited**

**亞太金融投資有限公司**

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

**(Stock code: 8193)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF 100% INTERESTS IN A SUBSIDIARY**

**THE DISPOSAL**

The Board wishes to announce that on 7 January 2021 (after trading hours), the Vendor entered into the Agreement with the Purchasers, pursuant to which the Vendor agreed to sell and transfer, and the Purchasers agreed to acquire and accept, the Sale Shares at the Consideration of the aggregate of the Purchase Price and the NAV.

The Company intends to apply the net proceeds of the Disposal for general working capital of the Group.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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## **THE AGREEMENT**

The principal terms of the Agreement are as follows:

**Date:** 7 January 2021 (after trading hours)

**Parties:** (a) the Vendor; and

(b) the Purchasers.

To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, each of the Purchasers is an Independent Third Party.

### **Assets subject to the sale and purchase**

The Vendor agreed to sell and transfer, and the Purchasers agreed to acquire and accept, the Sale Shares.

### **Consideration**

The total Consideration for the sale and purchase of the Sale Shares shall be the Purchase Price of HK\$2,000,000.00 plus the NAV of HK\$4,321,401.91, and shall be paid by the Purchasers to the Vendor in the form of cashier's order within five (5) business days from the date of the Agreement.

The Consideration was arrived at after arm's length negotiations between the Purchasers and the Vendor, with reference to the financial position of the Target Group and the prevailing market price of similar companies.

The Directors consider the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

### **Completion**

Completion is not subject to any condition precedent, and has already taken place simultaneously with the signing of the Agreement. Upon and following the Completion of the Disposal, the Target Group has ceased to be the subsidiaries of the Company.

## **INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP**

The Target Company is an investment holding company incorporated in the British Virgin Islands. As at the date of this announcement, the Target Company has issued share capital of 2,830,000 ordinary shares of per value US\$1.00 each, which are fully paid up by the Vendor.

IBL is a limited liability company incorporated in Hong Kong. It is a licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activity. The principal activities of IBL are securities dealing and investment and provision of securities brokerage services.

IAM is a limited liability company incorporated in Hong Kong. It has no business operation as at the date of this announcement.

As at the date of this announcement, both IBL and IAM are wholly-owned subsidiaries of the Target Company.

Each of the Target Company and IAM has no business entity. The following is a summary of the financial information of IBL as extracted from its audited financial statements for the two financial years ended 31 March 2020 and 2019:

	<b>For the year ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2020</b>	<b>2019</b>
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation	17,756	734
Net loss after taxation	19,076	734

As at 31 December 2020, the unaudited consolidated net assets of the Target Group were approximately HK\$4.3 million.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Company is an investment holding company. The Group principally engages in (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services.

Having considered the unstable economic outlook of Hong Kong and evaluation of the current businesses of the Group, the Directors are of the view that it will be difficult to achieve growth of Target Group without commitment of significant working capital, the Disposal provides a good opportunity for the Group to streamline the Group's structure and to further enhance the financial position of the Group and better utilise the Group's financial resources.

The Company intends to apply the net proceeds of the Disposal for general working capital of the Group.

The terms of the Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FINANCIAL IMPACT OF THE DISPOSAL

Upon Completion, the Target Group has ceased to be subsidiaries of the Company and the financial information of the Target Group will cease to be consolidated into the accounts of the Group.

The Group is expected to record a loss on disposal of approximately HK\$0.3 million. Such loss is estimated based on the Consideration receivable from the Disposal, i.e. approximately HK\$6.3 million, less approximately HK\$4.3 million, being the unaudited NAV and approximately HK\$2.3 million, being the carrying amount of trading rights as at 31 December 2020. The Directors do not anticipate that the Completion of the Disposal will have a significant effect on the business and performance of the Group.

## IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

“Agreement”	the agreement dated 7 January 2021 entered into between the Vendor and the Purchasers in relation to the sale and purchase of 100% of the equity interests in the Target Company
“Board”	the board of Directors
“Company”	Asia-Pac Financial Investment Company Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM of the Stock Exchange (stock code: 8193)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	The aggregate of the Purchase Price and the NAV
“Director(s)”	the director(s) of the Company

“Disposal”	the sale of the entire equity interests in the Target Company by the Vendor to the Purchasers pursuant to the Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAM”	Infast Asset Management Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“IBL”	Infast Brokerage Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“NAV”	the net asset value of the Target Group on a consolidated basis as at 31 December 2020 based on the unaudited financial statements of the Target Group
“percentage ratios”	has the same meaning ascribed to it under the GEM Listing Rules
“Purchase Price”	HK\$2,000,000.00
“Purchaser A”	Mr. Zhou Kai, an Independent Third Party, who acquires 33.34% of the Sale Shares
“Purchaser B”	Mr. Li Xuecheng, an Independent Third Party, who acquires 33.33% of the Sale Shares
“Purchaser C”	Mr. Qu Xiaokan, an Independent Third Party, who acquires 33.33% of the Sale Shares
“Purchasers”	collectively, Purchaser A, Purchaser B and Purchaser C
“Sale Shares”	2,830,000 shares (representing 100% of the issued share capital) in the Target Company
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.02 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	IAM Group Inc., a company incorporated in the British Virgin Islands with limited liability, with 2,830,000 ordinary shares of US\$1.00 each being issued and fully paid up as at the date of the Agreement
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Zhong Nan Investments Limited, a company incorporated in the British Virgin Island and a wholly-owned investment holding subsidiary of the Company
“%”	percentage

By order of the Board  
**Asia-Pac Financial Investment Company Limited**  
**Ip Kwok Kwong**  
*Executive Director and Managing Director*

Hong Kong, 7 January 2021

*As at the date of this announcement, the Board comprises Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di as executive Directors; Mr. Sek Wai Kit, Mr. So Kwok Yun and Mr. Tang Wai Kee as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 “Latest Listed Company Information” page of the website of GEM ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from its day of publication and on the website of the Company at [www.gca.com.hk](http://www.gca.com.hk).*