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Trendzon Holdings Group Limited

卓航控股集團有限公司

(formerly known as Pipeline Engineering Holdings Limited 管道工程控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)

**VOLUNTARY ANNOUNCEMENT
ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT
AND FORMATION OF THE JV COMPANY**

This announcement is made by Trendzon Holdings Group Limited (formerly known as Pipeline Engineering Holdings Limited) (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

THE STRATEGIC COOPERATION AGREEMENT

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company is pleased to announce that, on 7 June 2021, the Company entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Agreement**”) in relation to the establishment of an integrated industrial operation platform with Diandian Science and Technology Innovation City Project Investment and Development (Zhongshan) Co., Ltd (點點科創城項目投資開發(中山)有限公司) (“**Diandian**”). Pursuant to the Strategic Cooperation Agreement, the Company and Diandian will strive to build an integrated industrial operation platform hosting “100 cities with Trillion Yuan (百城萬億)” based on industrial real estate, which will conduct the upgrades of regional industrial structure nationwide and create “industrial IP” parks by life category based on urban characteristics. Each park will be divided into several areas, including “deep processing and packaging”, “logistics” and “business incubation” on the basis of intelligent manufacturing and intelligent equipment, so as to export industrial innovation for park products. In addition to the “platform sharing” of the products from various Chinese cities, it realizes a comprehensive industrial operation platform that facilitates matching with finance and listing incubation from back-end centralized collection to TO B order, ultimately forming a large comprehensive platform ecology, which includes “One city, One industry”, “Industry Sharing”, “Industry-enterprise Integration”, “Industry-finance Combination”, “Industry-city Integration” and “Government-enterprise Interconnection” based on the sustainable urban development.

INFORMATION ABOUT DIANDIAN

The existing intelligent manufacturing science and technology city project of Diandian is located in Banfu town, which vigorously invites investment and promotes the strategies of “township development through industry (工業立鎮)” and “township prosperity through industry (工業強鎮)” based on its actual conditions. The town had been awarded several titles, such as Guangdong Province Intelligent Manufacturing Industry Base and Intelligent Manufacturing Equipment Professional Town. With its advantageous geographic location and abundant resources, Banfu town has developed from a traditional agricultural town into an emerging industrial town in the Pearl River Delta region.

To the best of the Directors’ knowledge, information and belief, after making all reasonable enquiries, as at the date of this Announcement, each of Diandian and its beneficial owners is a third party independent of the Company and its connected persons under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

The Board believes that the cooperation proposed in the Strategic Cooperation Agreement will make a positive contribution to the revenue and profit of the Group, which is beneficial to the development of the Group and therefore to the Company and shareholders as a whole. The Group will continue to actively seek suitable development or investment opportunities to strengthen the Group’s business portfolio and deliver sustainable and stable business performance in the long run.

FORMATION OF THE JV COMPANY

The Board is pleased to announce that, on 7 June 2021, the Group and Diandian signed a joint venture shareholder agreement to establish a joint venture in Zhongshan City, the People’s Republic of China, named Trendzon Science and Technology Innovation City (Zhongshan) Project Investment and Development Co., Ltd (卓航科創城(中山)項目投資開發有限公司) (the “**JV Company**”). The JV Company is owned as to 51% by the Group and as to 49% by Diandian through their contribution to its registered capital. Upon the formation of the JV Company, both parties agreed to contribute capital in tranches, the detailed matters of which will be determined upon the signing of the cooperation agreement after the negotiation by both parties.

The main business scope of the JV Company will include investment in property development and operation; corporate investment consulting business (excluding financial business); and property management services, self-owned real estate activities; corporate headquarters management; non-profit business activities related to foreign (regional) enterprises; corporate management; industrial park management services; supply chain management services; commercial complex management services; packaging services; business agency services; project planning and public relations services.

INFORMATION ON THE BUSINESS DEVELOPMENT OF THE JV COMPANY

The JV Company will participate in the design and construction of a new high-tech industrial park (“**Trendzon Diandian Science and Technology Innovation City**”) in Banfu Town, Zhongshan in the Guangdong-Hong Kong-Macao Greater Bay Area. The JV Company will implement relevant national laws, policies and regulations, fully comply with the requirements of urban planning and urban development, adopt measures to local conditions and the requirements of sustainable development design, implement the design concept of green ecology and being people-oriented, and create a free space atmosphere by adopting appropriate and humane planning and design concept. At the same time, it will put emphasis on control of construction and development costs with excellent design methods to create a new high-tech industrial park with convenient transportation, safety, reliability, scientific rationality, resource sharing, novelty and practicality, to meet the needs of Banfu’s high-standard innovative industrial development.

Trendzon Diandian Science and Technology Innovation City has been approved by Zhongshan Development and Reform Committee under the name of “Diandian Science and Technology Innovation City Intelligent Manufacturing Project”. Trendzon Diandian Science and Technology Innovation City Project is located in Banfu Town, Zhongshan City, Guangdong Province, near the Banfu Exit of Guangzhou-Zhuhai West Line and adjacent to Zhongshan College of Macau University of Science and Technology, with Hongjing 2nd Road to the west, Wenhua West Road of 105 National Highway to the east, the Pearl River Delta Ring Highway to the south, and the Zhongnan Science and Technology Park to the north. At the same time, it lies within the accessible reach of the Shenzhen-Zhongshan Bridge at a location with significant geographical advantages. Trendzon Diandian Science and Technology Innovation City will become a new high-tech industrial park integrating industrial production, research and development, logistics and transportation, and living facilities.

Trendzon Diandian Science and Technology Innovation City will have a proposed site area of 190,027 square meters. Its planned gross floor area will be 705,388 square meters, including 40,300 square meters of carpark spaces; the plot ratio gross floor area is 665,088 square meters, comprising 555,956 square meters of industrial park, 26,532 square meters of logistics warehousing and 82,600 square meters of ancillary areas (including dormitory, office building and talent use building). Upon the completion of Trendzon Diandian Science and Technology Innovation City, the plot ratio of the site will be 3.5, and the density of construction will be 41.4%. It is planned to provide 950 underground parking spaces and 1,166 parking spaces on ground level and in the parking building. The planned green rate is 10% and the project will be equipped with supporting facilities such as electricity, water supply and fire-fighting facilities.

The construction layout of Trendzon Diandian Science and Technology Innovation City is arranged based on functions, which are divided into supporting office area, dormitory area and factory logistics area. The supporting office comprises a 100-meter high 23-storey tower building and a 6-story podium with underground garage. The dormitory area comprises six blocks of 50-meter high 15-storey buildings with underground garages. The factory logistics area comprises 20 blocks of 50-meter high 9-story buildings.

The construction of Trendzon Diandian Science and Technology Innovation City will promote the adjustment and optimization of Zhongshan's industrial structure, increase employment and local fiscal income, improve people's livelihood and contribute to the realization of Zhongshan's development strategy of "layout of strategic new sectors". Based on the general conditions of the industry, the average sales price per square meter after completion of Trendzon Diandian Science and Technology Innovation City is approximately RMB5,500, with a saleable area of approximately 432,000 square meters and an estimated sales revenue of over RMB2.3 billion; the estimated annual output value of the project is over RMB7 billion, and the social contribution will continue to grow with the expansion of investment attraction. The remaining self-owned portion has an area of approximately 230,000 square meters, and the rental portion will be leased out at an average monthly rent of RMB25 per square meter, which will generate an annual rental income of approximately RMB70 million for Trendzon Diandian Science and Technology Innovation City upon full occupation.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The Board is of the opinion that the formation of the JV Company will help the Group expand its business scope and diversify the Group's business development.

GENERAL

The JV Shareholders' Agreement was entered into on normal commercial terms and in the ordinary course of business of the Group and the Directors consider that its terms are fair and reasonable and in the interests of the Group and its shareholders as a whole.

As none of the applicable percentage ratios (as defined under the Listing Rules) calculated under Rule 14.07 of the Listing Rules in respect of the JV Shareholders Agreement has exceeded 5%, the formation of the JV Company under the JV Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

The Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Trendzon Holdings Group Limited
Feng Jiamin and Michael Shi Guan Wah
Joint Chairmen

Hong Kong, 7 June 2021

As at the date of this announcement, the Board comprises Mr. Michael Shi Guan Wah, Ms. Feng Jiamin and Mr. Lok Ka Ho as executive Directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Cher Choong Kiak, Mr. Chiam Soon Chian (Zhan Shunquan), Mr. Choo Chih Chien Benjamin and Mr. Tong Wing Chi as independent non-executive Directors.