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## **中達集團控股有限公司**

**CENTRAL WEALTH GROUP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 139)**

### **NOTIFIABLE TRANSACTIONS IN RELATION TO ACQUISITIONS AND DISPOSALS OF THE SECURITIES THROUGHOUT THE PERIOD AND POSSIBLE VERY SUBSTANTIAL DISPOSAL MANDATE FOR DISPOSAL(S) OF LISTED SECURITIES**

#### **(I) ACQUISITIONS AND DISPOSALS OF THE SECURITIES**

The Board announces that through a series of transactions conducted during the Period, the Group had acquired and disposed of the Securities through CWII, DGL and CWC(SH) (all of which are wholly-owned subsidiaries of the Company).

#### **Listing Rules Implications**

The Acquisitions and Disposals constituted discloseable transactions, major transactions and a very substantial disposal of the Company, as the case may be.

#### ***Discloseable Transactions***

At the relevant times, as one or more of the applicable percentage ratios for certain transactions under the Acquisitions and Disposals, when aggregated or on a standalone basis, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, such transactions constituted discloseable transactions of the Company and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### ***Major Transactions***

At the relevant times, as one or more of the applicable percentage ratios for certain transactions under the Acquisitions and Disposals, when aggregated or on a standalone basis, exceeded 25% but all of them were less than 100% under Chapter 14 of the Listing Rules, such transactions constituted major transactions of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Very Substantial Disposal***

At the relevant times, as one or more of the applicable percentage ratios for certain transactions under the Disposals, when aggregated, exceeded 75% under Chapter 14 of the Listing Rules, such transactions constituted a very substantial disposal of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the transactions under the Acquisitions and Disposals was due to inadvertent mistake from the Company having believed that the Acquisitions and Disposals were of a revenue nature in the ordinary and usual course of business of certain members of the Group and they would therefore be exempt from the requirements under Chapter 14 of the Listing Rules pursuant to Rule 14.04(1)(g) of the Listing Rules.

## **(II) DISPOSAL MANDATE**

The Company proposes to seek approval for the Disposal Mandate from the Shareholders at the SGM in advance to allow the Directors to dispose of up to 8,460,250 consolidated CMBC Shares, representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation and approximately 0.72% of the total issued share capital of CMBC as at the date of this announcement, during the Mandate Period.

### **Listing Rules Implications**

Assuming that all of the Approved Sale Shares held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Possible Disposal(s), when aggregated with the relevant transactions under the Disposals conducted in the previous 12-month period from the relevant Possible Disposal, will exceed 75% under Chapter 14 of the Listing Rules. The Possible Disposal(s), when aggregated with the relevant transactions under the Disposals conducted in the previous 12-month period from the relevant Possible Disposal, will constitute a very substantial disposal of the Company and be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek approval of the Shareholders at the SGM for the Disposal Mandate and the Possible Disposal(s) to allow the Company to dispose of up to 8,460,250 consolidated CMBC Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation) held by the Group during the Mandate Period.

**There is no assurance that the Company will proceed with the Possible Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Possible Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Possible Disposal(s). Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

### **Despatch of Circular**

A circular containing, among others, (i) further details of the Acquisitions and Disposals; (ii) further details of the Disposal Mandate and the Possible Disposal(s) and (iii) the notice of the SGM is expected to be despatched to the Shareholders as soon as possible in compliance with the Listing Rules. The circular is expected to be despatched by the Company on or before 28 January 2022 in order to allow sufficient time for the preparation of the relevant information to be included in the circular.

## **(I) ACQUISITIONS AND DISPOSALS OF THE SECURITIES**

The Board announces that through a series of transactions conducted during the Period, the Group had acquired and disposed of the Securities through CWII, DGL and CWC(SH) (all of which are wholly-owned subsidiaries of the Company).

### **A. China Shandong Shares**

Through a series of transactions by CWII during November 2020, the Group had acquired a total of 564,242,000 China Shandong Shares (representing approximately 2.34% of the total issued China Shandong Shares as at the date of this announcement) on the open market and through bought and sold notes at an aggregate consideration of approximately HK\$208,889,000 (inclusive of transaction costs) and an average price of approximately HK\$0.370 per China Shandong Share. The price CWII paid for in each transaction was the market price of the China Shandong Shares and was financed by internal resources of the Group.

Among the 564,242,000 China Shandong Shares, as to 214,242,000 China Shandong Shares were acquired through the open market and the identities of the counterparties of the transactions cannot be ascertained. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are Independent Third Parties.

Among the 564,242,000 China Shandong Shares, as to 350,000,000 China Shandong Shares were acquired from Mr. Li To (李滔) at an aggregate consideration of HK\$129,500,000. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Li To (李滔) is an Independent Third Party.

### ***Listing Rules Implications***

As one or more of the applicable percentage ratios for the acquisitions of the China Shandong Shares, when aggregated, exceeded 25% but all of them were less than 100% under Chapter 14 of the Listing Rules, the acquisitions together constituted a major transaction of the Company and was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Information of China Shandong***

China Shandong is an exempted company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 412). China Shandong and its subsidiaries are principally engaged in various kinds of financial services, including provision of securities brokerage services, financial leasing, operation of an asset trading platform, investments in securities, money lending, investment holding, online investment and technology-enabled lending services, online new media services and assets management.

The following financial information is extracted from the 2020 annual report of China Shandong:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,272,354	894,149
(Loss) before taxation	(3,265)	(1,927,203)
(Loss) after taxation	(18,307)	(1,961,815)
Net asset value	9,656,748	10,251,457

### ***Reasons for and benefits of the acquisitions***

The Company considered that the then future prospect of China Shandong was promising and the acquisitions represented an investment opportunity of the Group. As the China Shandong Shares are listed on the Main Board of the Stock Exchange, the Group will be able to realise the investment in the open market, which represents an efficient mean for the realisation of the investment. The Directors held positive views towards the then prospects of China Shandong and were of the view that the acquisitions provided the Group with a good investment opportunity to expand its investment portfolio.

As the acquisitions were made at market price, the Directors were of the view that the terms of the acquisitions were fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Group (through CWII) beneficially owns 561,584,000 China Shandong Shares, representing approximately 2.33% of the total issued share capital of China Shandong as at the date of this announcement. The investment in China Shandong is accounted for as equity investments at fair value through other comprehensive income of the Company and China Shandong's financial results have not been consolidated into the accounts of the Group.

## **B. CMBC Shares**

Through a series of transactions by CWII during October 2020 to March 2021, the Group had acquired a total of 471,280,000 then CMBC Shares (representing 11,782,000 consolidated CMBC Shares upon CMBC Share Consolidation and approximately 1.00% of the total issued CMBC Shares as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$58,460,189 (inclusive of transaction costs) and an average price of approximately HK\$0.124 per then CMBC Share. The price CWII paid for in each transaction was the market price of the then CMBC Shares and was financed by internal resources of the Group.

Through a series of transactions by CWII and DGL during January 2020 to May 2021, the Group had disposed of a total of 3,459,775,829 then CMBC Shares (representing approximately 86,494,395 consolidated CMBC Shares upon CMBC Share Consolidation and approximately 7.36% of the total issued CMBC Shares as at the date of this announcement) on the open market and through bought and sold notes at an aggregate consideration of approximately HK\$426,634,154 (exclusive of transaction costs) and an average price of approximately HK\$0.123 per then CMBC Share, as compared to an average purchase price of approximately HK\$0.34 per then CMBC Share of all those 3,459,775,829 then CMBC Shares which had been disposed of. The price received in each transaction was the market price of the then CMBC Shares and was received in cash on settlement.

Among the 3,459,775,829 then CMBC Shares, as to 2,664,455,829 then CMBC Shares were disposed of through the open market at an average price of approximately HK\$0.13 per then CMBC Share, as compared to an average purchase price of approximately HK\$0.33 per then CMBC Share of all those 2,664,455,829 then CMBC Shares which had been disposed of. For the transactions that were made through the open market, the identities of the counterparties of the transactions cannot be ascertained. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are Independent Third Parties.

Among the 3,459,775,829 then CMBC Shares, as to 795,320,000 then CMBC Shares were disposed of to CMBC International Investment Limited at an aggregate consideration of HK\$89,795,400 with an average price of approximately HK\$0.11 per then CMBC Share, as compared to an average purchase price of approximately HK\$0.35 per then CMBC Share of all those 795,320,000 then CMBC Shares which had been disposed of. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CMBC International Investment Limited is an investment company incorporated in the British Virgin Islands with limited liability and is a controlling shareholder of CMBC; which is beneficially and wholly-owned by CMBC International Investment (HK) Limited, a company incorporated in Hong Kong with limited liability; which is in turn beneficially and wholly-owned by CMBC International Holdings Limited, a company incorporated in Hong Kong with limited liability; which is in turn beneficially and wholly-owned by 中國民生銀行股份有限公司 (China Minsheng Banking Corp., Ltd.\*), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CMBC International Investment Limited and its ultimate beneficial owners are Independent Third Parties.

### ***Listing Rules Implications***

As one or more of the applicable percentage ratios for the acquisitions of the then CMBC Shares, when aggregated, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, the acquisitions together constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios for the disposals of the then CMBC Shares, when aggregated, exceeded 75% under Chapter 14 of the Listing Rules, the disposals together constituted a very substantial disposal of the Company and was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Information of CMBC***

CMBC is a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (former stock code: 1141 and current stock code upon CMBC Share Consolidation: 2995). CMBC and its subsidiaries are principally engaged in (i) securities business, (ii) investment and financing, (iii) asset management and (iv) corporate finance and advisory business.

The following financial information is extracted from the 2020 annual report of CMBC:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,019,185	978,683
Profit before taxation	485,180	425,240
Profit after taxation	393,220	356,863
Net asset value	2,599,968	2,222,243

***Reasons for and benefits of the acquisitions and disposals***

The Company considered that the then future prospect of CMBC was promising and the acquisitions represented an investment opportunity of the Group. As the CMBC Shares are listed on the Main Board of the Stock Exchange, the Group will be able to realise the investment in the open market, which represents an efficient mean for the realisation of the investment. The Directors held positive views towards the then prospects of CMBC and were of the view that the acquisitions provided the Group with a good investment opportunity to expand its investment portfolio.

On the other hand, the disposals provided the Group with an opportunity to realise its investment in CMBC. The Group intended to use the proceeds from the disposals for general working capital, in particular, (i) as to approximately 30% of the proceeds for the repayment of short-term borrowings; (ii) as to approximately 68% of the proceeds for the purchase of securities; and (iii) as to approximately 2% of the proceeds for the settlement of administrative expenses. As a result of the disposals, the Group suffered a book loss of approximately HK\$735.3 million, being the difference between the consideration received from the disposals of approximately HK\$426,634,154 and the aggregate costs of the then relevant CMBC Shares (exclusive of transaction costs) of approximately HK\$1,161,926,672, where the Board considered that the aforesaid disposals were fair and reasonable and in the interest of the Company and its Shareholders as a whole, taking into account that (i) the average closing price of the then CMBC Shares of approximately HK\$0.128 per then CMBC Share throughout the period from January 2020 to May 2021; (ii) there was an overall decreasing trend in the trading price of the then CMBC Shares with the trading price ranging from HK\$0.098 per then CMBC Share to HK\$0.183 per then CMBC Share throughout the period from January 2020 to May 2021 during which the aforesaid disposals took place, and the Group considered that suffering of the loss as illustrated above would be in any event inevitable even if the Group intended to mitigate loss arising from the investment in a timely manner in response to the then market conditions and the then market performance of the CMBC Shares at the relevant time; (iii) while the Group was also at the material time exploring other possible investment alternatives with better return, the Group had utilised the proceeds from certain disposals of the then CMBC Shares for investment in other listed securities which then had relatively better performance than the then CMBC Shares; and (iv) notwithstanding that the Group had acquired certain then CMBC Shares during the period from October 2020 to March 2021 in light of, among others, a series of share buy-back exercises of the then CMBC Shares conducted by CMBC contemporaneously, which the Group believed that the price of the then CMBC Shares may rise following such exercises, the Board was no longer optimistic of the then growth and prospect of CMBC since March 2021 and ceased to acquire further CMBC Shares from the market thereafter.

As the transactions were made at market price, the Directors were of the view that the terms of the transactions were fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Group (through CWII and DGL) beneficially owns 8,460,250 consolidated CMBC Shares, representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation and approximately 0.72% of the total issued share capital of CMBC as at the date of this announcement. The investment in CMBC is accounted for as equity investments at fair value through other comprehensive income of the Company and CMBC's financial results have not been consolidated into the accounts of the Group.

### **C. HKEX Shares**

Through a series of transactions by CWII during July 2020 to February 2021, the Group had acquired a total of 1,329,200 HKEX Shares (representing approximately 0.10% of the total issued HKEX Shares as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$556,278,956 (inclusive of transaction costs) and an average price of approximately HK\$418.51 per HKEX Share. The price CWII paid for in each transaction was the market price of the HKEX Shares and was financed by internal resources of the Group.

Through a series of transactions by CWII during January 2020 to March 2021, the Group had disposed of a total of 1,349,200 HKEX Shares (representing approximately 0.11% of the total issued HKEX Shares as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$566,924,730 (exclusive of transaction costs) and an average price of approximately HK\$420.19 per HKEX Share, as compared to an average purchase price of approximately HK\$421.14 per HKEX Share of all those 1,349,200 HKEX Shares which had been disposed of. The price received in each transaction was the market price of the HKEX Shares and was received in cash on settlement.

As the transactions were made through the open market, the identities of the counterparties of the transactions cannot be ascertained. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are Independent Third Parties.

### ***Listing Rules Implications***

As one or more of the applicable percentage ratios for the disposals of the HKEX Shares, when aggregated or on a standalone basis, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, the disposals constituted discloseable transactions of the Company and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios for the acquisitions of the HKEX Shares, when aggregated or on a standalone basis, exceeded 25% but all of them were less than 100% under Chapter 14 of the Listing Rules, the acquisitions constituted major transactions of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Information of HKEX***

HKEX is a company incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 388). HKEX and its subsidiaries are principally engaged in the operation of stock exchange.

The following financial information is extracted from the 2020 annual report of HKEX:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$m</i>	<i>HK\$m</i>
Revenue	16,835	13,565
Profit before taxation	13,332	10,951
Profit after taxation	11,487	9,390
Net asset value	49,236	44,501

### ***Reasons for and benefits of the acquisitions and disposals***

The acquisitions and disposals of the HKEX Shares were in line with the Group's principal activities on securities dealing and financial investments, and allowed the Group to increase the long term return of funds of the Company by capitalising the opportunities arising from the investment in the HKEX Shares.

The Group intended to use the proceeds from the disposals for (i) as to approximately 91% of the proceeds for general working capital, in particular, for the purchase of securities; and (ii) as to approximately 9% of the proceeds for other investment in wholly-owned subsidiary. As a result of the disposals, the Group suffered a book loss of approximately HK\$1.3 million, being the difference between the consideration received from the disposals of approximately HK\$566,924,730 and the aggregate costs of the relevant HKEX Shares (exclusive of transaction costs) of approximately HK\$568,198,971, where the Board considered that the aforesaid disposals were fair and reasonable and in the interest of the Company and its Shareholders as a whole, taking into account (i) the average closing price of the HKEX Shares of approximately HK\$353.13 per HKEX Share throughout the period from January 2020 to March 2021 with the trading price ranging from HK\$211.4 per HKEX Share to HK\$567 per HKEX Share, which indicated a volatile share price performance of the HKEX Shares during the relevant period; (ii) that the investments in the HKEX Shares were considered as short term investments which the Group aimed at realising such investments within one year; (iii) the then volatile market condition and uncertainties caused by, in particular, the impact of the Sino-US trade war and the outbreak of the COVID-19 pandemic throughout the period from January 2020 to March 2021 during which the aforesaid disposals took place; and (iv) that the Board considered that suffering of the loss as illustrated above would be in any event inevitable and the Group endeavoured to mitigate further loss arising from the short term investments in a timely manner in response to the then market conditions and uncertainties, which was in line with its then investment strategy.

As the transactions were made at market price, the Directors were of the view that the terms of the transactions were fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Group does not beneficially own any HKEX Shares. The investment in HKEX was accounted for as equity investments at fair value through profit or loss of the Company and HKEX's financial results had not been consolidated into the accounts of the Group.

#### **D. China Dili Shares**

Through a series of transactions by CWII during November 2020, the Group had acquired a total of 14,012,000 China Dili Shares (representing approximately 0.16% of the total issued China Dili Shares as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$24,748,732 (inclusive of transaction costs) and an average price of approximately HK\$1.766 per China Dili Share. The price CWII paid for in each transaction was the market price of the China Dili Shares and was financed by internal resources of the Group.

As the transactions were made through the open market, the identities of the counterparties of the transactions cannot be ascertained. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are Independent Third Parties.

### ***Listing Rules Implications***

As one or more of the applicable percentage ratios for the acquisitions of the China Dili Shares, when aggregated, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, the acquisitions together constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### ***Information of China Dili***

China Dili is an exempted company incorporated in Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 1387). China Dili and its subsidiaries are principally engaged in the operation of agriculture wholesale markets in the PRC.

The following financial information is extracted from the 2020 annual report of China Dili:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,450,148	1,421,019
Profit before taxation	354,521	805,450
Profit after taxation	203,320	570,455
Net asset value	13,104,750	8,824,278

### ***Reasons for and benefits of the acquisitions***

The Company considered that the then future prospect of China Dili was promising and the acquisitions represented an investment opportunity of the Group. As the China Dili Shares are listed on the Main Board of the Stock Exchange, the Group will be able to realise the investment in the open market, which represents an efficient mean for the realisation of the investment. The Directors held positive views towards the then prospects of China Dili and were of the view that the acquisitions provided the Group with a good investment opportunity to expand its investment portfolio.

As the acquisitions were made at market price, the Directors were of the view that the terms of the acquisition were fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Group (through CWII) beneficially owns 14,012,000 China Dili Shares, representing approximately 0.16% of the total issued share capital of China Dili as at the date of this announcement. The investment in China Dili is accounted for as equity and fund investments at fair value through profit or loss of the Company and China Dili's financial results have not been consolidated into the accounts of the Group.

## **E. Meituan Shares**

Through a series of transactions by CWII during July 2020 to June 2021, the Group had acquired a total of 1,338,000 Meituan Shares (representing approximately 0.02% of the total issued Meituan Shares as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$409,181,527 (inclusive of transaction costs) and an average price of approximately HK\$305.82 per Meituan Share. The price CWII paid for in each transaction was the market price of the Meituan Shares and was financed by internal resources of the Group.

Through a series of transactions by CWII during July 2020 to June 2021, the Group had disposed of a total of 1,338,000 Meituan Shares (representing approximately 0.02% of the total issued Meituan Shares as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$406,062,700 (exclusive of transaction costs) and an average price of approximately HK\$303.48 per Meituan Share, as compared to an average purchase price of approximately HK\$305.82 per Meituan Share of all those 1,338,000 Meituan Shares which had been disposed of. The price received in each transaction was the market price of the Meituan Shares and was received in cash on settlement.

As the transactions were made through the open market, the identities of the counterparties of the transactions cannot be ascertained. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are Independent Third Parties.

### ***Listing Rules Implications***

As one or more of the applicable percentage ratios for the acquisitions and disposals of the Meituan Shares, when aggregated or on a standalone basis, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, the acquisitions and disposals constituted discloseable transactions of the Company and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### ***Information of Meituan***

Meituan is an exempted company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability and its Class B shares are listed on the Main Board of the Stock Exchange (stock code: 3690). Meituan is the PRC's leading e-commerce platform for services. It provides a platform using technology to connect consumers and merchants and offers diversified daily services, including food delivery, in-store, hotel and travel booking and other services and sales.

The following financial information is extracted from the 2020 annual report of Meituan:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	114,794,510	97,528,531
Profit before taxation	4,437,875	2,762,388
Profit after taxation	4,707,612	2,236,165
Net asset value	97,634,275	92,054,394

***Reasons for and benefits of the acquisitions and disposals***

The acquisitions and disposals of the Meituan Shares were in line with the Group's principal activities on securities dealing and financial investments, and allowed the Group to increase the long term return of funds of the Company by capitalising the opportunities arising from the investment in the Meituan Shares.

The Group intended to use the proceeds from the disposals for general working capital, in particular, (i) as to approximately 28% of the proceeds for the repayment of short-term borrowings; and (ii) as to approximately 72% of the proceeds for the purchase of securities. As a result of the disposals, the Group suffered a book loss of approximately HK\$3.1 million, being the difference between the consideration received from the disposals of approximately HK\$406,062,700 and the aggregate costs of the relevant Meituan Shares (exclusive of transaction costs) of approximately HK\$409,181,527, where the Board considered that the aforesaid disposals were fair and reasonable and in the interest of the Company and its Shareholders as a whole, taking into account (i) the average closing price of the Meituan Shares of approximately HK\$287.43 per Meituan Share throughout the period from July 2020 to June 2021 with the trading price ranging from HK\$179.4 per Meituan Share to HK\$451.4 per Meituan Share, which indicated a volatile share price performance of the Meituan Shares during the relevant period; (ii) that the investments in the Meituan Shares were considered as short term investments which the Group aimed at realising such investments within one year; (iii) the then volatile market condition and uncertainties caused by, in particular, the impact of the Sino-US trade war and the outbreak of the COVID-19 pandemic throughout the period from July 2020 to June 2021 during which the aforesaid disposals took place; and (iv) that the Board considered that suffering of the loss as illustrated above would be in any event inevitable and the Group endeavoured to mitigate further loss arising from the short term investments in a timely manner in response to the then market conditions and uncertainties, which was in line with its then investment strategy.

As the transactions were made at market price, the Directors were of the view that the terms of the transactions were fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Group does not beneficially own any Meituan Shares. The investment in Meituan was accounted for as equity and fund investments at fair value through profit or loss of the Company and Meituan's financial results had not been consolidated into the accounts of the Group.

#### **F. Haichu Fund Interests**

Through a series of transactions by CWC(SH) during September and November 2020, the Group had acquired a total of 20,635,921.69 units of Haichu Fund Interests (representing approximately 58.6% of the total number of units of issued Haichu Fund Interests as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$31,375,680 and an average price of approximately HK\$1.52 per unit of Haichu Fund Interests. The price CWC(SH) paid for in each transaction was the market price of the Haichu Fund Interests and was financed by internal resources of the Group.

As the transactions were made through the open market, the identities of the counterparties of the transactions cannot be ascertained. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are Independent Third Parties.

#### ***Listing Rules Implications***

As one or more of the applicable percentage ratios for the acquisitions of the Haichu Fund Interests, when aggregated, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, the acquisitions constituted discloseable transactions of the Company and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### ***Information of Haichu Fund***

Haichu Fund is a private equity investment fund established in the PRC on 9 September 2019 and is managed by 上海海楚資產管理有限公司 (Shanghai Haichu Asset Management Co. Ltd.\*).

The following financial information is extracted from the 2020 annual report of Haichu Fund:

	<b>Year Ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	11,157	1,560
(Loss)/Profit before taxation	(14,822)	33,677
(Loss)/Profit after taxation	(14,822)	33,677
Net asset value	78,961	119,857

***Reasons for and benefits of the acquisitions***

The acquisitions of the Haichu Fund Interests were in line with the Group's principal activities on securities dealing and financial investments, and allowed the Group to increase the long term return of funds of the Company by capitalising the opportunities arising from the investment in the Haichu Fund Interests.

As the transactions were made at market price, the Directors were of the view that the terms of the transactions were fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Group (through CWC(SH)) beneficially owns 20,065,107.94 units of Haichu Fund Interests, representing approximately 57.0% of the total number of units of issued Haichu Fund Interests as at the date of this announcement. The investment in Haichu Fund was accounted for as equity and fund investments at fair value through profit or loss of the Company and Haichu Fund's financial results have not been consolidated into the accounts of the Group.

**Information of the Company and the Group**

The Company is incorporated in Bermuda with limited liability. The principal activity of the Company is investment holding. The Group is principally engaged in securities and futures dealing business, trading of debts and equity investments and money lending business.

CWII is a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by the Company. CWII is principally engaged in the investment in and trading of securities.

DGL is a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by the Company. DGL is principally engaged in the investment in and trading of securities.

CWC(SH) is a company established in the PRC and is indirectly wholly-owned by the Company. CWC(SH) is principally engaged in advisory service in debt capital market and investment in the fund.

### **Investment Strategy of the Group**

The investment strategy of the Group is, among others, to achieve long-term return within an acceptable risk level by investing in a broad diversification of portfolio, including but not limited to stocks, bonds, funds, structured products and derivatives in different business sectors. The Group will seek to diversify the investment portfolios when opportunities arise. The Group may acquire or realise the investments from time to time where to do so will be in the best interests of the Group and will review its investment strategy regularly in response to changes in the market situation.

### **Listing Rules Implications**

The Acquisitions and Disposals constituted discloseable transactions, major transactions and a very substantial disposal of the Company, as the case may be.

#### ***Discloseable Transactions***

At the relevant times, as one or more of the applicable percentage ratios for certain transactions under the Acquisitions and Disposals, when aggregated or on a standalone basis, exceeded 5% but all of them were less than 25% under Chapter 14 of the Listing Rules, such transactions constituted discloseable transactions of the Company and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### ***Major Transactions***

At the relevant times, as one or more of the applicable percentage ratios for certain transactions under the Acquisitions and Disposals, when aggregated or on a standalone basis, exceeded 25% but all of them were less than 100% under Chapter 14 of the Listing Rules, such transactions constituted major transactions of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Very Substantial Disposal***

At the relevant times, as one or more of the applicable percentage ratios for certain transactions under the Disposals, when aggregated, exceeded 75% under Chapter 14 of the Listing Rules, such transactions constituted a very substantial disposal of the Company and were subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the Acquisitions and Disposals and therefore none of them were required to abstain from voting on the relevant Board resolutions approving the same according to the Listing Rules.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the transactions under the Acquisitions and Disposals was due to inadvertent mistake from the Company having believed that the Acquisitions and Disposals were of a revenue nature in the ordinary and usual course of business of certain members of the Group and they would therefore be exempt from the requirements under Chapter 14 of the Listing Rules pursuant to Rule 14.04(1)(g) of the Listing Rules.

### **Remedial Actions**

The Company wishes to apologise for the above non-compliances and hereby publishes this announcement to provide details of the Acquisitions and Disposals. The Acquisitions and Disposals will be further put forward to the SGM for approval and ratification by the Shareholders.

To avoid any similar delay in the future and to tighten the Group's internal control procedures, the Company will (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; (ii) provide written guideline on the procedures for similar transactions to all Directors, senior management and relevant personnel of the Company, which would include requiring prior notification to an executive Director and the company secretary of the Company before entering into similar transactions and closely monitoring the transactions entered into from time to time; and (iii) provide further training to the Directors, the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential notifiable transactions of the Group on a timely basis.

## **(II) DISPOSAL MANDATE**

As disclosed above, the Group (through CWII and DGL) had disposed of a total of 3,459,775,829 then CMBC Shares during the Period. Such disposals together constituted a very substantial disposal of the Company. As at the date of this announcement, the Group (through CWII and DGL) beneficially owns 8,460,250 consolidated CMBC Shares, representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation and approximately 0.72% of the total issued share capital of CMBC as at the date of this announcement, while the investment in CMBC is accounted for as equity investments at fair value through other comprehensive income of the Company and CMBC's financial results have not been consolidated into the accounts of the Group.

Given the volatile nature of the stock market, in order for the Group to dispose of the CMBC Shares at the best possible prices at the right time, it would not be practicable to seek prior Shareholders' approval for every disposal. Therefore, to enable flexibility in future disposals of the CMBC Shares at appropriate time(s) and price(s) so as to capitalise as much return as possible to the Group, the Company proposes to seek approval for the Disposal Mandate from the Shareholders at the SGM in advance to allow the Directors to dispose of up to 8,460,250 consolidated CMBC Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation) during the Mandate Period. Depending on the prevailing market conditions, the Group may dispose of the Approved Sale Shares in tranches from time to time during the Mandate Period.

The Disposal Mandate shall be conditional upon the approval by the Shareholders at the SGM.

### **Details of the Disposal Mandate**

The Disposal Mandate to be sought from the Shareholders at the SGM will be on the following terms:

#### **1. *Mandate Period***

The Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of the passing of the relevant resolution(s) approving the Disposal Mandate and the Possible Disposal(s) at the SGM.

#### **2. *Maximum number of the CMBC Shares to be disposed of***

The Disposal Mandate shall authorise and empower the Board to dispose of up to 8,460,250 consolidated CMBC Shares held by the Group, representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation and approximately 0.72 % of the total issued share capital of CMBC as at the date of this announcement.

### **3. *Scope of Authority***

The relevant designated Directors shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Possible Disposal(s), including but not limited to the number of batches of Possible Disposal(s), the number of the CMBC Shares to be sold in each Possible Disposal and the timing of each Possible Disposal.

### **4. *Manner of Authority***

The Possible Disposal(s) shall be conducted (i) in the open market on the Stock Exchange to Independent Third Party(ies) through the trading system of the Stock Exchange; and/or (ii) in the off-market through block trades by entering into placing agreement(s) with licensed corporation(s) which carry(ies) out Type 1 (dealing in securities) regulated activity under the SFO and shall be Independent Third Party(ies) as placing agent(s), to dispose of, in part or in whole, the Approved Sale Shares to third party purchaser(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies). In the event that any purchaser of the Approved Sale Shares is a connected person of the Company, the Company will comply with the announcement, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For any block trade, the terms and conditions of the sale would be negotiated on an arm's length basis. As at the date of this announcement, there is no potential purchaser who has indicated its intention to purchase the Approved Sale Shares from the Group.

The selling price of the Approved Sale Shares shall be at the then market price(s) of the CMBC Shares at the relevant material time, provided that:

- (i) each Possible Disposal in the open market or in the off market shall be at market price of no more than 20% discount to the average closing price as quoted on the Stock Exchange for the five (5) consecutive trading days immediately before the date of each Possible Disposal during the Mandate Period; and
- (ii) the Minimum Selling Price of the Possible Disposals shall be no less than HK\$2.33 per consolidated CMBC Share.

The maximum 20% discount to the average closing price of the CMBC Shares for the five (5) consecutive trading days immediately prior to the date(s) of the relevant Possible Disposal(s) represents the range of discounts to the referenced closing price which the Company may consider in the exercise of the Disposal Mandate, having regard to the then prevailing share price performance of CMBC and market sentiment. Whilst the Company will use its endeavours to dispose of the Approved Sale Shares at the best available price to the Company, the proposed maximum 20% discount to the average closing price of the CMBC Shares would allow the Company to have flexibility to dispose of the Approved Sale Shares within a reasonable price range in the event that the market sentiment is not favourable.

Based on the closing price of the then CMBC Shares in the past one year immediately before the date of this announcement, the highest closing price was HK\$0.174 per then CMBC Share and the lowest closing price was HK\$0.071 per then CMBC Share and the average closing price was HK\$0.102 per then CMBC Share. In addition, the average closing price of the then CMBC Shares for the year ended 31 December 2020, the last twelve months from 1 November 2020 to 31 October 2021, the last six months from 1 May 2021 to 31 October 2021, the last 30 trading days and the last 5 trading days preceding the Last Trading Day was approximately HK\$0.134 per then CMBC Share, HK\$0.108 per then CMBC Share, HK\$0.098 per then CMBC Share, HK\$3.18 per consolidated CMBC Share and HK\$3.19 per consolidated CMBC Share, respectively.

Based on the daily trading volume of the then CMBC Shares in the past one year immediately before the date of this announcement, the highest daily trading volume of the then CMBC Shares was 2,284,018,000 then CMBC Shares, while the lowest daily trading volume of the then CMBC Shares was 6,210,000 then CMBC Shares, and the average trading volume of the then CMBC Shares in the past one year immediately before the date of this announcement was approximately 173,729,468 then CMBC Shares. The total number of 8,460,250 Approved Sale Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation) to be disposed of under the Disposal Mandate represents approximately 1.95 times of the average daily trading volume of the then CMBC Shares in the past one year immediately before the date of this announcement.

In order to make the Approved Sale Shares held by the Group to be more attractive in block trade, the Directors consider that it is fair and reasonable for the Company to offer certain percentage of discount to the market price. Using the average closing price of the consolidated CMBC Shares of approximately HK\$3.19 per consolidated CMBC Share for the five (5) consecutive trading days immediately before the date of this announcement, if the Approved Sale Shares are sold at 20% discount to the 5-day average closing price of the CMBC Shares, the proposed selling price is approximately HK\$2.55 per consolidated CMBC Share.

Taking into account the trading prices and trading volumes of the then CMBC Shares in the past one year immediately before the date of this announcement as illustrated above, the bearish market sentiment on the then CMBC Shares and the flexibility to be vested in the Company to dispose of the CMBC Shares within a reasonable price range in the event that market sentiments and market conditions are not favourable, the Directors consider that the proposed maximum discount of 20% to the 5-day average closing price of the CMBC Shares immediately before the date of each Possible Disposal is fair and reasonable.

The proposed maximum discount of 20% to the 5-day average closing price of the CMBC Shares will allow flexibility for the Group to dispose of the CMBC Shares within a reasonable price range promptly in response to the fluctuation in market conditions. Whilst the Group will try to dispose of the CMBC Shares under the Disposal Mandate at the best available price to the Company, disposal of any CMBC Shares under the Disposal Mandate shall be subject to approval by at least one of the executive Directors to ensure that such disposal would be conducted at the best available price to the Company subject to the aforesaid proposed maximum discount as at the time of relevant Possible Disposal(s), which would safeguard the interests of the Company and the Shareholders that the CMBC Shares would not be disposed of at a significant discount.

In view of the foregoing, the Company considers that the terms of the Disposal Mandate are fair and reasonable.

## **5. Compliance**

The Possible Disposal(s) shall comply with relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong. The Group will also report on the progress of the Possible Disposal(s) in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules. The Company will re-comply with the Listing Rules requirements and seek another Shareholders' approval for any other disposal(s) of CMBC Shares in the event that they cannot be completed under the Disposal Mandate within the Mandate Period.

## **6. Minimum Selling Price**

The Minimum Selling Price of HK\$2.33 per consolidated CMBC Share (equivalent to approximately HK\$0.058 per then CMBC Share prior to CMBC Share Consolidation) represents:

- (a) a discount of approximately 39.16% to the closing price of HK\$3.83 per consolidated CMBC Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 26.96% to the average closing price of approximately HK\$3.19 per consolidated CMBC Share (representing approximately HK\$0.080 per then CMBC Share prior to CMBC Share Consolidation) as quoted on the Stock Exchange for the last 5 trading days preceding the Last Trading Day;
- (c) a discount of approximately 26.73% to the average closing price of approximately HK\$3.18 per consolidated CMBC Share (representing approximately HK\$0.080 per then CMBC Share prior to CMBC Share Consolidation) as quoted on the Stock Exchange for the last 30 trading days preceding the Last Trading Day;
- (d) a discount of approximately 40.86% to the average closing price of approximately HK\$3.94 per consolidated CMBC Share (representing approximately HK\$0.098 per then CMBC Share prior to CMBC Share Consolidation) as quoted on the Stock Exchange for the last six months from 1 May 2021 to 31 October 2021;

- (e) a discount of approximately 46.19% to the average closing price of approximately HK\$4.33 per consolidated CMBC Share (representing approximately HK\$0.108 per then CMBC Share prior to CMBC Share Consolidation) as quoted on the Stock Exchange for the last twelve months from 1 November 2020 to 31 October 2021;
- (f) a discount of approximately 56.53% to the closing price of approximately HK\$5.36 per consolidated CMBC Share (representing approximately HK\$0.134 per then CMBC Share prior to the CMBC Share Consolidation) as quoted on the Stock Exchange for the year ended 31 December 2020;
- (g) equal to the unaudited net asset value per CMBC Share of approximately HK\$0.058 per then CMBC Share based on the unaudited net asset value of CMBC as at 30 June 2021 and 46,978,667,729 then CMBC Shares in issue immediately prior to CMBC Share Consolidation; and
- (h) equal to the unaudited net asset value per CMBC Share of approximately HK\$2.33 per consolidated CMBC Share based on the unaudited net asset value of CMBC as at 30 June 2021 and 1,174,466,693 consolidated CMBC Shares in issue as at the date of this announcement.

The Minimum Selling Price was determined with reference to (i) the unaudited net asset value per then CMBC Share of approximately HK\$0.058 as at 30 June 2021; (ii) the unaudited net asset value per consolidated CMBC Share of approximately HK\$2.33 as at 30 June 2021; (iii) market performance of the then CMBC Shares as quoted on the Stock Exchange for the year ended 31 December 2020, the last twelve months from 1 November 2020 to 31 October 2021, the last six months from 1 May 2021 to 31 October 2021, the last 30 trading days and the last 5 trading days as well as the overall plummeting trend of the trading price of the then CMBC Shares throughout these two years; and (iv) the prevailing market sentiments, market conditions and the uncertainty of global economy in light of the outbreak of the COVID-19 pandemic.

The Company considers that the Minimum Selling Price will allow flexibility for the Directors to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the Approved Sale Shares, while it will safeguard the interests of the Company and its Shareholders such that the Approved Sale Shares would not be disposed of at a significant discount in the event that the market conditions are unfavourable, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

## **Reasons for the Disposal Mandate**

The Company acquired the CMBC Shares for investment purpose. Having regard to the current market conditions, the Board decided to have an investment portfolio with less securities investments and to solidify the financial and cash position of the Group.

In light of the uncertainty in the future global economy with the continuing COVID-19 pandemic and having considered the funding needs of the Group, the Company considers that the Possible Disposals represent an opportunity to realise its investments and to allow the Group to reallocate its resources.

Given the volatility of the stock market, disposing of shares at the best possible prices requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal. To allow flexibility in effecting future disposals of the CMBC Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Disposal Mandate and the Possible Disposal(s) from the Shareholders at the SGM in advance to allow the Directors to dispose of the Approved Sale Shares during the Mandate Period.

The Possible Disposal(s) will be made with reference to the market prices on the open market. The Board is of the view that the Disposal Mandate and the Possible Disposal(s) are on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its Shareholders as a whole.

## **Financial Impact and Use of Proceeds**

Based on the closing price of HK\$3.83 per consolidated CMBC Share as at the date of this announcement, the aggregate value of the Approved Sale Shares was approximately HK\$32,402,758. The Company will use the proceeds from the Possible Disposal(s) for general working capital purpose, in particular, for the repayment of short-term borrowings.

For illustrating the effect of the Possible Disposal(s) on the earnings, assets and liabilities of the Company, on the assumption that all of the Approved Sale Shares would have been disposed of at HK\$3.83 per consolidated CMBC Share, being the closing price of each consolidated CMBC Share as at the date of this announcement, the Group is expected to recognise a revaluation loss of approximately HK\$12,944,182 which will affect the comprehensive income of the Group on the day of disposal for the year ending 31 December 2021 and is calculated on the basis of the difference between the market value of the Approved Sale Shares as at 31 December 2020 and the disposal prices (excluding stamp duty and related expenses). The revaluation loss equals to the deficit of the consideration of approximately HK\$32,402,758, being the market value of all the Approved Sale Shares as at the date of this announcement, under the net book value of approximately HK\$45,346,940 of the then CMBC Shares as at 31 December 2020 (based on the closing price per consolidated CMBC Share of approximately HK\$5.36 as at 31 December 2020 and that all of the Approved Sale Shares would be disposed of). The Possible Disposal(s) will have no effect on the liabilities of the Group for the year ended 31 December 2020. For the avoidance of doubt, the actual revaluation gain/loss to be recorded by the Group as a result of the Possible Disposal(s) will be subject to the actual selling prices of the Approved Sale Shares and will be subject to final audit to be performed by the Company's auditors. The Group will exercise its endeavours to achieve best available terms but the disposal price shall be subject to market fluctuations and the economic environment at the time of execution of each Possible Disposal.

For illustrating the effect of the Possible Disposal(s) on the earnings, assets and liabilities of the Company, on the assumption that all of the Approved Sale Shares would have been disposed of at the Minimum Selling Price, the Group is expected to recognise a revaluation loss of approximately HK\$25,634,557 which will affect the comprehensive income of the Group on the day of disposal for the year ending 31 December 2021 and is calculated on the basis of the difference between the market value of the Approved Sale Shares as at 31 December 2020 and the disposal prices (excluding stamp duty and related expenses). The revaluation loss equals to the deficit of the consideration of approximately HK\$19,712,383, being the value of all the Approved Sale Shares at the Minimum Selling Price, under the net book value of approximately HK\$45,346,940 of the then CMBC Shares as at 31 December 2020 (based on the closing price per consolidated CMBC Share of approximately HK\$5.36 as at 31 December 2020 and that all of the Approved Sale Shares would be disposed of). The Possible Disposal(s) will have no effect on the liabilities of the Group for the year ended 31 December 2020. For the avoidance of doubt, the actual revaluation gain/loss to be recorded by the Group as a result of the Possible Disposal(s) will be subject to the actual selling prices of the Approved Sale Shares and will be subject to final audit to be performed by the Company's auditors. The Group will exercise its endeavours to achieve best available terms but the disposal price shall be subject to market fluctuations and the economic environment at the time of execution of each Possible Disposal.

In view of the foregoing, the illustrative revaluation loss of HK\$12,944,182 (or HK\$25,634,557, if the Minimum Selling Price is adopted) represents approximately 1.13% (or 2.23%) of the unaudited net asset value of the Group as at 30 June 2021 of approximately HK\$1,149,923,000, which is expected to have an insignificant financial impact to the Group. In any event, the Minimum Selling Price merely reflects the lowest acceptable price to dispose of the Approved Sale Shares to allow flexibility for the Directors to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate. The Company will endeavour to effect Possible Disposal(s) at appropriate time(s) and price(s) so as to maximise the returns to the Group. Taking into account that the financial impact of the Possible Disposal(s) to the Group as illustrated above is expected to be insignificant and all the reasons as set out in the section headed "Reasons for the Disposal Mandate" in this announcement, the Board considers that the Disposal Mandate is fair, reasonable and in the interests of the Company and its Shareholders as a whole.

### **Listing Rules Implications**

Assuming that all of the Approved Sale Shares held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Possible Disposal(s), when aggregated with the relevant transactions under the Disposals conducted in the previous 12-month period from the relevant Possible Disposal, will exceed 75% under Chapter 14 of the Listing Rules. The Possible Disposal(s), when aggregated with the relevant transactions under the Disposals conducted in the previous 12-month period from the relevant Possible Disposal, will constitute a very substantial disposal of the Company and be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will seek approval of the Shareholders at the SGM for the Disposal Mandate and the Possible Disposal(s) to allow the Company to dispose of up to 8,460,250 consolidated CMBC Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation) held by the Group during the Mandate Period.

None of the Directors has a material interest in the Disposal Mandate and the Possible Disposal(s) and therefore none of them are required to abstain from voting on the relevant Board resolutions approving the same according to the Listing Rules.

**There is no assurance that the Company will proceed with the Possible Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Possible Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Possible Disposal(s). Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## **DESPATCH OF CIRCULAR**

The SGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Acquisitions and Disposals, the Disposal Mandate and the Possible Disposal(s).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Acquisitions and Disposals, the Disposal Mandate and the Possible Disposal(s), and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the SGM.

A circular containing, among others, (i) further details of the Acquisitions and Disposals; (ii) further details of the Disposal Mandate and the Possible Disposal(s) and (iii) the notice of the SGM is expected to be despatched to the Shareholders as soon as possible in compliance with the Listing Rules. The circular is expected to be despatched by the Company on or before 28 January 2022 in order to allow sufficient time for the preparation of the relevant information to be included in the circular.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisitions”	the acquisitions of the relevant Securities through CWII, DGL and CWC(SH) throughout the Period
“Approved Sale Shares”	up to 8,460,250 consolidated CMBC Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation)
“Board”	board of Directors
“Business Day(s)”	day(s) (excluding Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business

“China Dili”	China Dili Group, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1387)
“China Dili Share(s)”	ordinary share(s) of China Dili
“China Shandong”	China Shandong Hi-Speed Financial Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 412)
“China Shandong Share(s)”	ordinary share(s) of China Shandong
“CMBC”	CMBC Capital Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (former stock code: 1141 and current stock code upon CMBC Share Consolidation: 2995)
“CMBC Share(s)”	ordinary share(s) of CMBC
“CMBC Share Consolidation”	the consolidation of every forty (40) issued and unissued then CMBC Shares in the share capital of CMBC into one (1) consolidated CMBC Share in the share capital of CMBC which took effect on 29 December 2021
“Company”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 139)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CWC(SH)”	中達基石(上海)企業諮詢有限公司 (Central Wealth Cornerstone., (Shanghai) Consulting Co Ltd.*), a company established in the PRC and is indirectly wholly-owned by the Company
“CWII”	Central Wealth Infrastructure Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by the Company

“DGL”	Desert Gold Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by the Company
“Director(s)”	director(s) of the Company
“Disposal Mandate”	the general and conditional mandate to be granted by the Shareholders to the Directors at the SGM to dispose of up to 8,460,250 consolidated CMBC Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation) during the Mandate Period
“Disposals”	the disposals of the relevant Securities through CWII and DGL throughout the Period
“Group”	the Company and its subsidiaries
“Haichu Fund”	海楚正金10號私募證券投資基金 (Haichu Zhengjin Private Equity Investment Fund 10*), a private equity investment fund established in the PRC
“Haichu Fund Interest(s)”	interest(s) in Haichu Fund
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEX”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 388)
“HKEX Share(s)”	ordinary share(s) of HKEX
“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
“Last Trading Day”	30 December 2021, being the last full trading day of the Shares on the Stock Exchange prior to the release of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“Mandate Period”	period of 12 months from the date of the passing of the relevant resolution(s) approving the Disposal Mandate and the Possible Disposal(s) at the SGM
“Meituan”	Meituan, a company incorporated in the Cayman Islands with limited liability and the Class B shares of which are listed on the Main Board of the Stock Exchange (stock code: 3690)
“Meituan Share(s)”	Class B shares of Meituan
“Minimum Selling Price”	HK\$2.33 per consolidated CMBC Share (equivalent to approximately HK\$0.058 per then CMBC Share prior to CMBC Share consolidation)
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules
“Period”	period from 1 January 2020 to 18 June 2021
“Possible Disposal(s)”	the proposed disposal(s) of up to 8,460,250 consolidated CMBC Shares (representing 338,410,000 then CMBC Shares prior to CMBC Share Consolidation) by the Group under the Disposal Mandate
“PRC”	People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Securities”	collectively, the China Shandong Shares, the CMBC Shares, the HKEX Shares, the China Dili Shares, the Meituan Shares and the Haichu Fund Interests
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving, among others, the Acquisitions and Disposals, the Disposal Mandate and the Possible Disposal(s)

“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Central Wealth Group Holdings Limited**  
**Chen Xiaodong**  
*Chairman*

Hong Kong, 30 December 2021

*As at the date of this announcement, the Board comprises the following Directors:*

*Executive Directors*

Mr. Chen Xiaodong (*Chairman*)  
Mr. Wang Jun (*Chief Executive Officer*)  
Mr. Yu Qingrui

*Independent non-executive Directors*

Mr. Kwok Chi Kwong  
Mr. Wu Ming  
Mr. Liu Hongwei

\* *For identification purpose only*