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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)

MAJOR TRANSACTION: DISPOSAL OF SHARES IN SHANDONG HI-SPEED HOLDINGS GROUP LIMITED

On 4 November 2022 (after trading hours), the Vendor entered into the conditional Sale and Purchase Agreements with each of the Purchasers respectively pursuant to which the Vendor agreed to sell and the Purchasers agreed to acquire the Sale Shares for a total consideration of HK\$169,272,040.

As the relevant percentage ratio(s) exceed 25% but all relevant percentage ratios are below 75%, the Disposal and the transactions contemplated thereunder in aggregation with the Previous Disposals constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 4 November 2022 (after trading hours), the Vendor entered into the Sale and Purchase Agreements with each of the Purchasers respectively pursuant to which the Vendor agreed to sell and the Purchasers agreed to acquire the Sale Shares for a total consideration of HK\$169,272,040.

Sale and Purchase Agreement A

Date: 4 November 2022 (after trading hours)

Parties: (1) Vendor
(2) Purchaser A

The Purchaser A is an individual and is a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser A is an Independent Third Party.

The Vendor is a wholly owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investment in and trading of securities.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement A, the Purchaser A has agreed to acquire and the Vendor has agreed to sell the Sale Shares A, representing 22,024,000 SDHG Shares (as defined below).

Shandong Hi-Speed Holdings Group Limited (“**SDHG**”, together with its subsidiaries as the “**SDHG Group**”) is a company incorporated in Bermuda with limited liability and the issued shares of HK\$0.001 each (each a “**SDHG Share**”) are listed on the Main Board of the Stock Exchange (Stock Code: 412). As at the date of the Sale and Purchase Agreements, the Vendor is the beneficial owner of 65,356,500 SDHG Shares, representing approximately 1.086% of the issued share capital of SDHG. The Vendor holds the SDHG Shares as investments.

Consideration

The total consideration payable by the Purchaser A to the Vendor under the Sale and Purchase Agreement A is HK\$57,042,160, which shall be payable by the Purchaser A to the Vendor (or as the Vendor may direct) in cash on the Completion Date (or such other method of payment as the Vendor and the Purchaser A may agree from time to time).

Sale and Purchase Agreement B

Date: 4 November 2022 (after trading hours)

Parties: (1) Vendor
(2) Purchaser B

The Purchaser B is an individual and is a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser B is an Independent Third Party.

The Vendor is a wholly owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investment in and trading of securities.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement B, the Purchaser B has agreed to acquire and the Vendor has agreed to sell the Sale Shares B, representing 21,666,000 SDHG Shares.

Consideration

The total consideration payable by the Purchaser B to the Vendor under the Sale and Purchase Agreement B is HK\$56,114,940, which shall be payable by the Purchaser B to the Vendor (or as the Vendor may direct) in cash on the Completion Date (or such other method of payment as the Vendor and the Purchaser B may agree from time to time).

Sale and Purchase Agreement C

Date: 4 November 2022 (after trading hours)

Parties: (1) Vendor
(2) Purchaser C

The Purchaser C is an individual and is a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser C is an Independent Third Party.

The Vendor is a wholly owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investment in and trading of securities.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement C, the Purchaser C has agreed to acquire and the Vendor has agreed to sell the Sale Shares C, representing 21,666,000 SDHG Shares.

Consideration

The total consideration payable by the Purchaser C to the Vendor under the Sale and Purchase Agreement C is HK\$56,114,940, which shall be payable by the Purchaser C to the Vendor (or as the Vendor may direct) in cash on the Completion Date (or such other method of payment as the Vendor and the Purchaser C may agree from time to time).

The consideration for the Disposal was determined with reference to the market prices of the Sale Shares and arrived at after arm's length negotiations between the relevant parties to the Sale and Purchase Agreements. The Directors (including the independent non-executive Directors) consider the terms of the Disposal (including but not limited to the consideration) to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The Sale and Purchase Agreements are conditional upon the fulfillment of the following conditions:

- (1) if necessary, the passing by the Shareholders at the SGM to be convened and held of the necessary resolutions to approve the relevant Sale and Purchase Agreement and the transactions contemplated thereunder;
- (2) there being no event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to the ability of the Vendor to perform its obligations under the Sale and Purchase Agreements or to consummate the transactions contemplated under the Sale and Purchase Agreements having occurred or being likely to occur; and
- (3) all necessary consents and approvals required to be obtained on the part of the Vendor and the Purchasers in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained.

If the conditions have not been satisfied on or before 31 December 2022, or such other date as the relevant Purchaser and the Vendor may agree, the Sale and Purchase Agreements shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Each of the Sale and Purchase Agreements are not inter-conditional upon each other.

Completion is expected to take place within one month after the fulfillment of the conditions precedent of the Sale and Purchase Agreements (or such other date as the parties to the Sale and Purchase Agreements may agree in writing).

Upon Completion, the Vendor will cease to have interests in the Sale Shares but continues to hold 500 SDHG Shares (assuming that there are no other changes to the SDHG Shares held by the Vendor).

The Group intends to dispose of the remaining SDHG Shares held by the Group and further announcement(s) will be made as and when appropriate if such further disposal(s) will result in higher transaction classification under Chapter 14 of the Listing Rules.

INFORMATION ON SDHG

SDHG is an investment holding company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (Stock Code: 412). The SDHG Group is principally engaged in various kinds of financial services, including financial leasing, operation of an asset trading platform, investments in securities, money lending, investment holding and assets management.

Set out below is the financial information of SDHG based on its annual report:

	For the year ended 31 December 2021 <i>HK\$'000</i> (Audited)	For the year ended 31 December 2020 <i>HK\$'000</i> (Audited)
Revenue	1,065,661	1,272,354
Profit (Loss) before taxation	(1,145)	(3,265)
Profit (Loss) after taxation	11,058	(18,307)
Net asset value	8,612,503	9,656,748

Based on SDHG's Annual Report, the audited net asset value of SDHG as at 31 December 2021 amounts to approximately HK\$8,612,503,000.

REASONS FOR THE DISPOSAL

The Group is principally engaged in securities and futures dealing business, financial investments and money lending business.

The Group acquired the SDHG 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.

Based on the book value of the Sale Shares and the consideration, it is estimated that upon Completion, the Group will record a gain of approximately HK\$69.3 million on the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors. After deducting the expenses relating to the Disposal (including the professional fee and administrative fees), it is expected that there will be a net of proceed of approximately HK\$169 million attributable to the Disposal. The Company intends to use as to approximately HK\$89.1 million of the net proceeds towards repayment of indebtedness of the Group, including but not limited to the indebtedness owed by the Group to Globally Finance Limited ("GFL"), a subsidiary of Future World Holdings Limited ("**Future World**") and as to the remaining balance of approximately HK\$79.9 million of the net proceeds towards general working capital of the Group.

The Board is of the view that the Disposal provides a good opportunity for the Group to realize its investment in SDHG and focus its resources to develop its other existing businesses with prospects.

Taking into consideration of the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

During the period of the last twelve months prior to the entering into of the Sale and Purchase Agreements, the Group had disposed of (1) an aggregate of 5,010,000 shares of HK\$0.0025 each in the issued share capital of SDHG (each a “**SDHG Pre-Consolidated Share**”) (equivalent to 1,252,500 SDHG Shares as a result of the share consolidation of 4 SDHG Pre-Consolidated Shares into 1 SDHG Share as announced by SDHG in its announcements dated 28 July 2022) at a total consideration of approximately HK\$4,308,600 (excluding stamp duty and related expenses), at the price of HK\$0.86 per SDHG Pre-Consolidated Share; and (2) an aggregate of 75,704,000 SDHG Shares at a total consideration of approximately HK\$165,746,316 (excluding stamp duty and related expenses) at the price between HK\$1.54 and HK\$2.664 per SDHG Share (together as the “**Previous Disposals**”). The average price (excluding stamp duty and related expenses) per each SDHG Share under the Previous Disposals was approximately HK\$2.21 per SDHG Share.

As the relevant percentage ratio(s) exceed 25% but all relevant percentage ratios are below 75%, the Disposal and the transactions contemplated thereunder in aggregation with the Previous Disposals constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

A SGM will be convened and held for the Shareholders to approve the Sale and Purchase Agreements and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors and having made reasonable enquiries, save for Future World and its associates holding an aggregate of 881,971,316 Shares representing approximately 5.52% of the issued share capital of the Company, no other Shareholder is involved in or interested in the Sale and Purchase Agreements and the transactions contemplated thereunder which requires him/her/it to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreements and the transactions contemplated thereunder at the SGM. Future World and its associates shall abstain from voting at the SGM.

A circular containing, among others, (1) details of the Disposal and the transactions contemplated thereunder; and (2) a notice of the SGM will be despatched to the Shareholders on or before 16 December 2022 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of the Directors
“Company”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreements
“Completion Date”	within one month after fulfillment of the conditions precedent of the Sale and Purchase Agreements (or such other date as the parties thereto may agree in writing)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Disposal”	the disposal of the Sale Shares as contemplated under the Sale and Purchase Agreements
“Group”	the Company together with its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the Listing Rules
“Purchaser A”	Lau Wei Suen Jenny
“Purchaser B”	Tan Qiyuan
“Purchaser C”	羅震黎 (Luo Zhenli)
“Purchasers”	together the Purchaser A, the Purchaser B and the Purchaser C and each a “Purchaser”

“Sale and Purchase Agreement A”	the conditional sale and purchase Agreement dated 4 November 2022 and entered into between the Purchaser A and the Vendor in respect of the sale and purchase of the Sale Shares A
“Sale and Purchase Agreement B”	the conditional sale and purchase Agreement dated 4 November 2022 and entered into between the Purchaser B and the Vendor in respect of the sale and purchase of the Sale Shares B
“Sale and Purchase Agreement C”	the conditional sale and purchase Agreement dated 4 November 2022 and entered into between the Purchaser C and the Vendor in respect of the sale and purchase of the Sale Shares C
“Sale and Purchase Agreements”	together the Sale and Purchase Agreement A, the Sale and Purchase Agreement B and the Sale and Purchase Agreement C
“Sale Shares A”	22,024,000 SDHG Shares to be disposed by the Vendor to the Purchaser A under the Sale and Purchase Agreement A
“Sale Shares B”	21,666,000 SDHG Shares to be disposed by the Vendor to the Purchaser B under the Sale and Purchase Agreement B
“Sale Shares C”	21,666,000 SDHG Shares to be disposed by the Vendor to the Purchaser C under the Sale and Purchase Agreement C
“Sale Shares”	together the Sale Shares A, the Sale Shares B and the Sale Shares C, being an aggregate 65,356,000 SDHG Shares held by the Vendor as at the date of the Sale and Purchase Agreements, representing approximately 1.086% of the issued share capital of SDHG as at the date of the Sale and Purchase Agreements
“SGM”	the special general meeting of the Company to be held and convened for the Shareholders to approve the Sale and Purchase Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Central Wealth Infrastructure Investment Limited, being a wholly owned subsidiary of the Company

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 4 November 2022

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

Executive Directors

Mr. Chen Xiaodong (*Chairman*)
Ms. Chen Jingxian (*Vice Chairman*)
Mr. Yu Qingrui
Ms. Song Caini
Mr. Chen Hongjin

Independent non-executive Directors

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