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## **CWT INTERNATIONAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 521)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE UNDER THE TRADING FRAMEWORK AGREEMENT AND CONTINUED SUSPENSION OF TRADING**

#### **PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that, on 23 August 2023 (after trading hours), the CWT Parties and the EDF Parties have entered into the Trading Framework Agreement, pursuant to which the CWT Parties and the EDF Parties agree to collaborate for a period of ten years involving the provision of warehouse, logistics, storage and transport services and financial services by CWT Entities to EDF Entities.

As part of the agreement under the Trading Framework Agreement, it was agreed that CWT Entities will provide to the EDF Entities a Financing Facility of US\$10 million and a Co-Funding Facility of up to US\$10 million, respectively.

#### **LISTING RULES IMPLICATIONS**

The provision of the Facilities constitutes the provision of financial assistance under the Listing Rules. As the highest of the applicable percentage ratio under the Listing Rules in respect of the provision of the Facilities exceeds 5% but is less than 25%, the provision of the Facilities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **PROVISION OF FINANCIAL ASSISTANCE**

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As part of the agreement under the Trading Framework Agreement, it was agreed that CWT Entities will provide to the EDF Entities a Financing Facility of US\$10 million and a Co-Funding Facility of up to US\$10 million, respectively.

### **The Trading Framework Agreement**

Date	:	23 August 2023
Parties	:	the CWT Parties; and the EDF Parties
Areas of collaboration	:	(a) warehouse, logistics, storage and transport services; and (b) financial services
Term	:	a period of ten (10) years commencing on the Commencement Date
Target	:	The CWT Parties and the EDF Parties agree to generate trade credits of US\$20 million within ten (10) years from the Commencement Date.

Such trade credits shall comprise of:-

- (a) discounts provided by the CWT Entities to the EDF Entities in relation to the provision of the warehouse, logistics, storage and transport services under the Trading Framework Agreement;
- (b) the Interest;
- (c) transaction commission to be charged by the CWT Entities in respect of the Facilities on per lot basis; and
- (d) commission to be charged by CWT Entities under the FX Contracts.

For the transactions contemplated under the Trading Framework Agreement, the CWT Entities and the EDF Entities will enter into separate transaction documents to set out the terms for the relevant transactions by reference to the terms of the Trading Framework Agreement.

***The Financing Facility***

As part of the agreement under the Trading Framework Agreement, it was agreed that CWT Entities will provide to the EDF Entities a Financing Facility of US\$10 million.

***The Co-Funding Facility***

As part of the agreement under the Trading Framework Agreement, it was agreed that CWT Entities will provide to the EDF Entities a Co-Funding Facility pursuant to which the CWT Entities will fund up to US\$10 million on a basis to be mutually agreed.

### ***Use of the Facilities***

The Facilities can be used for trading across Intercontinental Exchange coffee and sugar futures contracts and the FX Contracts.

The Financing Facility will be provided under the condition that at any point in time only a maximum of US\$2 million can be used as variation margin to support changes in market valuation.

The Facilities can only be utilised for the purposes of initial margin and variation margin but not towards actual losses of EDF Entities realised on trades (which are to be borne and settled by the EDF Entities).

The Facilities shall be applied for the trading of the following FX Contracts:

- (a) buy sterling and sell USD up to a value of US\$50 million up to six (6) months forward (or such longer period as may be agreed between the CWT Parties and the EDF Parties); and
- (b) sell Mexican pesos and buy USD up to a value of US\$50 million up to six (6) months forward (or such longer period as may be agreed between the CWT Parties and the EDF Parties).

### ***Fees***

The CWT Entities will charge the EDF Entities Interest at the Secured Overnight Financing Rate plus 2% per annum on utilised amount and at the Secured Overnight Financing Rate on unutilised amount of the Facilities, respectively.

In addition, the EDF Entities will bear the following costs and expenses:

- (a) the out-of-pocket exchange fees for Intercontinental Exchange coffee and sugar contracts;
- (b) commission charged by the CWT Entities in respect of the Facilities of US\$1 per lot; and
- (c) any other fees (out-of-pocket or otherwise) including but not limited to trading platform fees and market data fees.

The terms of the Facilities, including the Interest rate applicable, were negotiated on an arm's length basis between the CWT Parties and the EDF Parties, having taken into account the prevailing market terms and the business co-operation between the CWT Parties and the EDF Parties under the Trading Framework Agreement.

### ***Corporate Guarantee***

In the event that the Facilities are utilised by EDF Entities other than EDF, EDF shall provide a corporate guarantee in favour of the CWT Entities.

### ***Obligations to provide the Facilities***

The obligations of the CWT Entities to provide the Financing Facility and the Co-Funding Facility shall not arise until 42 days after the date of this announcement or 60 days from the date of the Trading Framework Agreement, whichever is later.

### ***Source of Funds***

The provision of the Facilities will be financed by the internal resources of SFG.

### ***Separate and definitive transaction documents***

The CWT Entities and the EDF Entities will enter into separate and definitive transaction documents to set out the detailed terms of the Facilities by reference to the terms of the Trading Framework Agreement.

## **REASONS AND BENEFITS OF PROVISION OF FINANCIAL ASSISTANCE**

The Board believes that providing financing facilities to financial services customers is part of the general and daily business operations of SFG, accordingly the provision of the Facilities is in the ordinary and usual course of business of the Group. The specific financing documents to be entered into between CWT Entities as the lenders and EDF Entities as the borrowers are expected to be concluded on normal commercial terms after arm's length negotiation. The trade co-operation between CWT Entities and EDF Entities under the Trading Framework Agreement will help establish a broad strategic partnership between the parties, promote the sustainable and steady development of the relevant business segments of the parties based on the principles of equality, mutual benefit, and common development. Based on the above, the Directors consider that the terms of the Trading Framework Agreement, including the provision of the Facilities are fair and reasonable and the provision of the Facilities and the entering into of the Trading Framework Agreement is in the best interest of the Company and its Shareholders as a whole.

## **INFORMATION OF THE COMPANY AND THE CWT PARTIES**

The Company is a Hong Kong-based investment holding company principally engaged in integrated logistics services and related engineering services. The Company is also engaged in the affiliated business of commodity marketing and financial services.

CWT SG is a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company. The principal activities of CWT SG are investment holding and management and the provision of warehousing services and logistics services.

SFG is a company incorporated in Singapore and an indirect non-wholly owned subsidiary of the Company. SFG is owned as to 97.375% directly by CWT SG and 2.625% by Mr. Ang. Mr. Ang is the chief executive officer of SFG and is a director and the chief executive officer of SSPL. The principal activity of SFG is investment holding.

SSPL is a company incorporated in Singapore and an indirect subsidiary of the Company. SSPL is a direct wholly-owned subsidiary of SFG. The principal activity of SSPL is wholesale trading.

### **INFORMATION OF THE EDF PARTIES**

EDF is a company incorporated in England. To the best knowledge of the Directors, EDF Entities primarily engage in the distribution of agriculture products.

MCM is a company incorporated in England. To the best knowledge of the Directors, MCM is a non-trading company.

As at the date of this announcement, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the EDF Entities and their respective ultimate beneficial owners are Independent Third Parties.

### **LISTING RULES IMPLICATIONS**

The provision of the Facilities constitutes the provision of financial assistance under the Listing Rules. As the highest of the applicable percentage ratio under the Listing Rules in respect of the provision of the Facilities exceeds 5% but is less than 25%, the provision of the Facilities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **CONTINUED SUSPENSION OF TRADING IN SHARES**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 3 April 2023 and will continue to be suspended pending publication of the 2022 Final Results.

**The Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors of the Company
“Co-Funding Facility”	the co-funding facility to be provided by the CWT Entities to the EDF Entities under the Trading Framework Agreement
“Commencement Date”	a date falling on the expiry of two (2) months after the date of the Trading Framework Agreement
“Company”	CWT International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“CWT Entities”	collectively, the holding companies, subsidiaries, related companies and/or associated companies of the CWT Parties and the CWT Parties
“CWT Parties”	collectively, CWT SG, SFG and SSPL
“CWT SG”	CWT Pte. Limited, a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“EDF”	ED&F Man Holdings Limited, a company incorporated in England and an Independent Third Party
“EDF Entities”	collectively, the holding companies, subsidiaries, related companies and/or associated companies of the EDF Parties and the EDF Parties
“EDF Parties”	collectively, EDF and MCM
“Facilities”	collectively, the Co-Funding Facility and the Financing Facility

“Financing Facility”	the financing facility to be provided by the CWT Entities to the EDF Entities under the Trading Framework Agreement
“FX Contracts”	the FX Contracts to be entered into under the Facilities
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) (and in case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Interest”	the Interest to be charged by the CWT Entities against the EDF Entities in respect of the Facilities
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MCM”	ED&F Man Capital Markets Limited, a company incorporated in England and an Independent Third Party
“Mr. Ang”	Mr. Ang Peng Leong, the chief executive officer of SFG (who holds 2.625% interest in SFG) and a director and the chief executive officer of SSPL
“SFG”	Straits Financial Group Pte. Ltd., a company incorporated in Singapore and an indirect non-wholly owned subsidiary of the Company
“Shareholders”	holders of the shares of the Company
“Singapore”	the Republic of Singapore
“SSPL”	Straits (Singapore) Pte. Ltd., a company incorporated in Singapore and an indirect subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading Framework Agreement”	the trading framework agreement dated 23 August 2023 entered into between the CWT Parties and the EDF Parties in respect of the Facilities
“US\$” or “USD”	United States Dollars, the lawful currency of the United States of America
“2022 Final Results”	the audited final results of the Group for the year ended 31 December 2022
“%”	per cent.

By order of the Board  
**CWT INTERNATIONAL LIMITED**  
**Wang Kan**  
*Executive Director*

Hong Kong, 29 August 2023

*As at the date of this announcement, the Board comprises Mr. Wang Kan (Executive Director, Chairman and Chief Executive Officer), Mr. Zhao Quan (Executive Director), Mr. Peng Biao (Executive Director), Mr. Xu Xu (Executive Director), Mr. Leung Shun Sang, Tony (Independent Non-executive Director), Mr. Liem Chi Kit, Kevin (Independent Non-executive Director) and Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director).*