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CWT INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 521)

DISCLOSABLE AND CONNECTED TRANSACTION ACQUISITION OF 30% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND CONTINUED SUSPENSION OF TRADING

THE SALE AND PURCHASE AGREEMENT

On 8 January 2024 (after trading hours), CWT Globelink and the Seller entered into the Sale and Purchase Agreement, pursuant to which CWT Globelink agreed to acquire, and the Seller agreed to sell, 360 shares of the Target Company (representing 30% of the total issued shares of the Target Company) at a total consideration of €4,800,000 (equivalent to approximately HK\$41,040,000).

Upon Completion, CWT Globelink will hold 86% of the issued share capital of the Target Company and the Target Company will remain as a subsidiary of CWT Globelink and the Group.

LISTING RULES IMPLICATION

As the applicable percentage ratios in respect of the Acquisition are more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As (1) the Target Company is a subsidiary of the Group and the Seller held 44% of the issued share capital of the Target Company before the entering into of the Sale and Purchase Agreement, thus the Seller is a connected person of the Company at the subsidiary level; (2) the Board has approved the Sale and Purchase Agreement and the transaction contemplated thereunder; and (3) the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement are fair and reasonable and the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date	:	8 January 2024
Parties	:	Mr. Joaquín Pueyo Giménez (as seller); and CWT Globelink Pte. Ltd (as purchaser)
Subject matter	:	CWT Globelink agreed to acquire, and the Seller agreed to sell, 360 shares of the Target Company (representing 30% of the total issued shares of the Target Company).
Consideration and basis	:	€4,800,000 (equivalent to approximately HK\$41,040,000), payable on the date of Completion. The consideration was determined after arm's length negotiation between CWT Globelink and the Seller with reference to, among others, (i) the latest business development and the future prospects of the Target Company; (ii) the average consolidated net profits of the Target Company for the five years ended 31 December 2022; and (iii) average consolidated EBITDA for the past five years.

The consideration will be settled by way of bank transfer into the Seller's designated account on the date of Completion and will be supported by internal resources of CWT Globelink.

Completion : Completion shall take place on a business day notified in writing by CWT Globelink to the Seller, which shall be within five (5) business days following the signing of the Sale and Purchase Agreement or any such dates as the parties shall agree and at such a venue as the parties shall agree.

Upon Completion, CWT Globelink will hold 86% of the issued share capital of the Target Company and the Target Company will remain as a subsidiary of CWT Globelink and the Group.

REASONS AND BENEFIT OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT AND THE ACQUISITION

The Target Company is principally engaged in freight forwarding businesses and it operates the important sea route connecting Spain to the world. It is an important market for the Group and a hub for Latin America & Africa. Considering the financial performance of the Target Company, the Directors (including the non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

The Sale and Purchase Agreement and the Acquisition have been approved by the Board. None of the Directors has or is deemed to have a material interest in such transaction, nor required to be abstain from voting on resolutions approving the Sale and Purchase Agreement and the Acquisition.

INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT AND ITS HOLDING COMPANIES

The Company and CWT Globelink

The Company is principally engaged in integrated logistics services and related engineering services, as well as the affiliated business of commodity marketing and financial services. CWT Globelink is an indirect wholly-owned subsidiary of the Company incorporated in Singapore with limited liability and is principally engaged in freight forwarding and container freight station activities.

The Seller

The Seller is the founder, substantial shareholder and the chief executive officer of the Target Company. Therefore, he is a connected person of the Company.

The Target Company

The Target Company is an indirect non-wholly owned subsidiary of the Company incorporated in Spain. It is principally engaged in freight forwarding activities. Before the entering into of the Sale and Purchase Agreement, the Target Company was owned as to 56% by CWT Globelink and 44% by the Seller, respectively.

Financial information of the Target Company

Set out below is a summary of the financial information of the Target Company and its subsidiary for the two years ended 31 December 2021 and 2022 prepared in accordance with the International Financial Reporting Standard:

	For the year ended	
	31 December	
	2021	2022
	(€)	(€)
Net profit before tax	9,055,201	11,460,525
Net profit after tax	6,808,321	8,662,962
EBITDA	9,100,436	11,494,543

The unaudited net assets of the Target Company and its subsidiary as at 30 September 2023 was approximately €4,470,144. The original acquisition cost of the said 360 shares of the Target Company was approximately €46,800, representing the par value of such 360 shares held by the Seller at the time of incorporation of the Target Company in 1966.

LISTING RULES IMPLICATION

As the applicable percentage ratios in respect of the Acquisition are more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As (1) the Target Company is a subsidiary of the Group and the Seller held 44% of the issued share capital of the Target Company before the entering into of the Sale and Purchase Agreement, thus the Seller is a connected person of the Company at the subsidiary level; (2) the Board has approved the Sale and Purchase Agreement and the transaction contemplated thereunder; and (3) the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement are fair and reasonable and the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUED SUSPENSION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 3 April 2023 and will continue to be suspended until further notice.

The Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	acquisition of 360 shares of the Target Company (representing 30% of the total issued shares of the Target Company) from the Seller by CWT Globelink pursuant to the terms of the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	CWT International Limited, a company incorporated in Hong Kong with limited liability
“Completion”	completion of the Acquisition

“connected person(s)”	has the same meaning as defined in the Listing Rules
“CWT Globelink”	CWT Globelink Pte. Ltd., a limited liability company incorporated in Singapore and it is an indirect wholly-owned subsidiary of the Company
“Director(s)”	the directors of the Company
“EBITDA”	Earnings before interest, taxation, depreciation and amortization
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between CWT Globelink and the Seller in respect of the Acquisition
“Seller”	Mr. Joaquín Pueyo Giménez, a connected person of the Company
“Shareholders”	holder(s) of the shares of the Company
“Shares”	the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“substantial shareholders”	has the same meaning as ascribed to it under the Listing Rules
“Target Company”	Globelink Uniexco, S.L., a company duly incorporated and existing under the laws of Spain

“€” Euro, the official currency of the European Union

“%” per cent

For the purposes of this announcement, unless otherwise specified, conversion of € into HK\$ in this announcement is based on the exchange rate of €1.0 to HK\$8.55.

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

Hong Kong, 8 January 2024

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), Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director) and Ms. Liu Yifei (Independent Non-executive Director).