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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)

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

On 26 August 2022 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares for a total consideration of HK\$30,000,040.

As the relevant percentage ratio(s) exceed 5% but all relevant percentage ratios are below 25%, the Disposal and the transactions contemplated thereunder in aggregation with the Previous Disposals constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 26 August 2022 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares for a total consideration of HK\$30,000,040.

Sale and Purchase Agreement

Date: 26 August 2022 (after trading hours)

Parties: (1) Vendor
(2) Purchaser

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

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 12,215,000 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 Agreement, the Vendor is the beneficial owner of 141,060,500 SDHG Shares, representing approximately 2.34% of the issued share capital of SDHG. The Vendor holds the SDHG Shares as investments.

Consideration

The total consideration payable by the Purchaser to the Vendor under the Sale and Purchase Agreement is HK\$30,000,040, which shall be payable by the Purchaser to the Vendor in cash on the Completion Date (or such other method of payment as the Vendor and the Purchaser 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 Agreement. 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.

Completion

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

Upon Completion, the Vendor will cease to have interests in the Sale Shares but continues to hold 128,845,500 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	<u>8,612,503</u>	<u>9,656,748</u>

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 costs of the Sale Shares and the consideration, it is estimated that upon Completion, the Group will record a gain of approximately HK\$11,321,000 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\$30 million attributable to the Disposal. The Company intends to use the net proceeds towards repayment of indebtedness 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 Agreement, the Group had disposed of an aggregate of 15,444,000 shares of HK\$0.0025 each in the issued share capital of SDHG (each a “**SDHG Pre-Consolidated Share**”) (equivalent to 3,861,000 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) on market at a total consideration of approximately HK\$9,763,560 (excluding stamp duty and related expenses), at the price between HK\$0.5228 and HK\$0.86 per SDHG Pre-Consolidated Share (the “**Previous Disposals**”). The average price (excluding stamp duty and related expenses) per each SDHG Pre-Consolidated Share under the Previous Disposals was approximately HK\$0.632 (equivalent to approximately HK\$2.528 per SDHG Share).

As the relevant percentage ratio(s) exceed 5% but all relevant percentage ratios are below 25%, the Disposal and the transactions contemplated thereunder in aggregate with the Previous Disposals constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement under Chapter 14 of the Listing Rules.

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 Agreement
“Completion Date”	within one month after the date of the Sale and Purchase Agreement (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 Agreement
“Group”	the Company together with its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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”	Liang Jinbin
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 August 2022 and entered into between the Purchaser and the Vendor in respect of the sale and purchase of the Sale Shares
“Sale Shares”	12,215,000 SDHG Shares to be disposed by the Vendor to the Purchaser under the Sale and Purchase Agreement
“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, 26 August 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