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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: ACQUISITION OF SHARES IN SENWORTH LIMITED

On 29 November 2023 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor respectively pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares for a total consideration of HK\$80,000,000. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions” below.

As the relevant percentage ratio(s) exceed 5% but all relevant percentage ratios are below 25%, the Acquisition and the transactions contemplated thereunder 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 ACQUISITION

On 29 November 2023 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares for a total consideration of HK\$80,000,000.

Sale and Purchase Agreement

Date: 29 November 2023 (after trading hours)

Parties: (1) Vendor
(2) Purchaser

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

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 25% of the issued share capital of the Company.

Consideration

The total consideration payable by the Purchaser to the Vendor under the Sale and Purchase Agreement is HK\$80,000,000, of which HK\$30,000,000 will be satisfied in cash and the remaining balance of HK\$50,000,000 shall be satisfied by issuing Promissory Notes to the Vendor (or such other method of payment as the Vendor and the Purchaser may agree).

The consideration for the Acquisition was determined with reference to the net asset value of the Target Company 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 Acquisition (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.

Promissory Notes

The terms of the Promissory Notes have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer

The Purchaser

Principal amount

HK\$50,000,000

Interest

The Promissory Notes will carry interest at the interest rate of 3% per annum. Interest shall be payable in lump sum upon maturity.

The interest rate was determined after arm's length negotiations with reference to the lending rate of loans of financial institutions.

Maturity

A fixed term of two years from the date of issue of the Promissory Notes.

Early repayment

The Purchaser could, at its option, early repay the Promissory Note with outstanding interest accrued thereon in whole or in part in integral multiples of principal amount of HK\$1 million by giving a prior ten Business Days' written notice to the relevant Vendor.

Transferability

The Promissory Note is transferrable in integral multiples of principal amount of HK\$1 million.

Conditions

Completion shall be conditional upon:

- (i) the Vendor, the Purchaser and the Target Company having obtained all necessary consents and approvals in respect of the Acquisition;
- (ii) there being no breach of warranties or terms of the Sale and Purchase Agreement in relation to matters, facts or circumstances of the Purchaser, the Vendor or the Target Company;
- (iii) the Purchaser having obtained from a PRC legal adviser designated by the Purchaser an opinion with respect to the legality of the incorporation and subsistence of the relevant PRC companies, the Property and matters relating to the Sale and Purchase Agreement in the form and substance to the satisfaction of the Purchaser; and
- (iv) the Purchaser having been satisfied with the results of the due diligence review on the Target Company in respect of their assets, liabilities, business operation and affairs.

The Purchaser may waive conditions (ii), (iii) and (iv) above. The other conditions are incapable of being waived. If the conditions have not been fulfilled (or waived by the Purchaser as the case may be) on or before 31 January 2024, or such later date as the Vendor and the Purchaser may agree, the Sale and Purchase Agreement shall cease and terminate and neither party to the Sale and Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

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

Immediately before Completion, the Purchaser is interested in 49% of the issued share capital of the Target Company. Upon Completion, the Purchaser will be interested in 74% of the issued share capital of the Target Company and the Sale Shares will be classified as a subsidiary of the Company and its results will be consolidated in the Group in accordance with applicable accounting standards.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. The Target Company is owned as to 25% by the Vendor, as to 49% by the Purchaser and as to 26% by another Independent Third Parties. The Target Company holds 90% equity interests in Tianshun Property, a company established in the PRC with limited liability. Tianshun Property in turn holds 50% equity interests in Guangda Property, a company established in the PRC with limited liability. Guangda Property holds the land use rights of the Property.

Set out below is the financial information of the Target Group:

	For the ten months ended 31 October 2023 HK\$'000 (Unaudited)	For the year ended 31 December 2022 HK\$'000 (Audited)	For the year ended 31 December 2021 HK\$'000 (Audited)
Revenue	386	8,550	–
Profit (Loss) before taxation	(29,494)	209,380	104,552
Profit (Loss) after taxation	(29,494)	209,380	104,552
Net asset value	320,528	348,023	103,612

The Property is a piece of land located in Shantou City, Guangdong Province, the PRC with gross area of approximately 44,755.57 sq. m. for property development. The land use right is from 11 March 1998 to 12 November 2066.

REASONS FOR THE ACQUISITION

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

The Directors have always been proactive in seeking opportunities for diversifying of the scope of business of the Group. The Directors considered that the Acquisition represents an investment opportunity to participate in the PRC property investment market and the Group will have the benefits from the long term appreciation of the price in properties in the PRC.

The Directors are optimistic to the property market in the PRC. It is noted that under the Sale and Purchase Agreement, the Group need not to pay the entire consideration sum in cash at Completion and this will allow the Group to have cash reserves for its future business development.

In view of the possibility of future long term appreciation in value of the Property, the Directors believe that the investment in the Sale Shares would be beneficial to the Group. Taking into consideration of the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition 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

As the relevant percentage ratio(s) exceed 5% but all relevant percentage ratios are below 25%, the Acquisition and the transactions contemplated thereunder in aggregate 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:

“Acquisition”	the acquisition of the Sale Shares as contemplated under the Sale and Purchase Agreement
“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 Acquisition in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	within three business days after the fulfillment of conditions 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
“Group”	the Company together with its subsidiaries
“Guangda Property”	汕頭市光大偉聯房產開發有限公司 (Santou City Guangda Weilian Property Development Co., Ltd. [#]), a company established in the PRC with limited liability and is the holder of the Property
“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
“Promissory Notes”	the promissory notes in the principal amount of HK\$50,000,000 to be issued by the Purchaser in favour of the Vendor to settle part of the consideration under the Sale and Purchase Agreement
“Property”	the piece of land located in Shantou City, Guangdong Province, the PRC with gross area of approximately 44,755.57 sq. m.
“Purchaser”	Morley Way Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase Agreement dated 29 November 2023 and entered into between the Purchaser and the Vendor in respect of the sale and purchase of the Sale Shares
“Sale Shares”	25 ordinary shares to be sold by the Vendor to the Purchaser under the Sale and Purchase Agreement, representing 25% of the issued share capital of the Target Company
“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
“Target Company”	Senworth Limited, a company incorporated in Hong Kong with limited liabilities
“Target Group”	together the Target Company and its subsidiaries
“Tianshun Property”	汕頭市天順物業管理有限公司 (Shantou City Tianshun Property Management Co., Ltd.#), a company established in the PRC with limited liability and is owned as to 90% by the Target Company
“Vendor”	李明培 (Lee Ming Pui), the vendor under the Sale and Purchase Agreement

“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, 29 November 2023

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

Executive Directors

Mr. Chen Xiaodong (*Chairman*)

Mr. Li Jing (*Chief Executive Officer*)

Mr. Yu Qingrui

Ms. Song Caini

Mr. Chen Hongjin

Independent non-executive Directors

Mr. Kwok Chi Kwong

Mr. Wu Ming

Ms. Li Meifeng

for identification purposes only