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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)

(1) MAJOR TRANSACTION: PROPOSED FORMATION OF JV WITH FMC CAYMAN AND (2) ENTERING INTO OF STRATEGIC COOPERATION AND INVESTMENT MOU WITH FMC CAYMAN

On 8 May 2024 (after trading hours), the Company entered into the conditional JV Agreement with FMC Cayman in relation to the formation of the JV to develop smart and new energy vehicles market including the manufacture, design, research and development and sales of smart vehicles with relevant after-sales services. After the subscription of shares in the JV, the issued share capital of the JV shall be HK\$50 million, which shall be owned as to 90% by the Group and as to 10% by FMC Cayman.

As the relevant percentage ratio(s) exceed 25% but all relevant percentage ratios are below 100%, the JV Agreement and the transactions contemplated thereunder constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

On 8 May 2024 after trading hours, the Company and FMC Cayman also entered into the MOU, pursuant to which, the Company and FMC Cayman will strategically cooperate with each other for the benefits of both parties.

PROPOSED FORMATION OF JV

On 8 May 2024 (after trading hours), the Company and FMC Cayman entered into of the JV Agreement in relation to the proposed formation of the JV.

JV Agreement

Date: 8 May 2024 (after trading hours)

Parties: (1) The Company
(2) FMC Cayman

FMC Cayman is a company incorporated in the Cayman Islands with limited liability. FMC Cayman and its subsidiaries (the “FMC Group”) have years of experience in new energy vehicle segment and are principally engaged in the R&D and production of new energy vehicle and holds the relevant Byton trademarks and intellectual property rights, including relevant knowhows and technologies. FMC Group has produced prototype concept vehicles. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, FMC Cayman and its ultimate beneficial owners are Independent Third Parties.

Subject Matter

Pursuant to the JV Agreement, the Company and FMC Cayman agree to invest and set up the JV in Hong Kong, which shall be a registered company in Hong Kong with limited liability.

Business scope

The business scope of the JV shall be the production, design, research and development and sales of smart vehicles and their derivative vehicles, the import and export and sales of parts and components for smart vehicles and their derivative vehicles, and the provision of after-sales service and related consulting. Unless with the written consent of the parties to the JV Agreement, the JV and its subsidiaries shall not conduct business outside the scope of business.

The business operation and strategy development of the JV shall be determined by the board of directors of the JV.

Capital contribution

The share capital of the JV shall be 50,000 ordinary shares. The Company will subscribe for 90% of the shares (the “**Central Wealth Subscription Shares**”) and FMC will subscribe for 10% of the shares (the “**FMC Cayman Subscription Shares**”) in the JV. The share capital of the JV upon formation shall be HK\$50 million. The funding of the Group for the capital contribution of the JV shall be its internal resources.

After formation of the JV and by 31 December 2024, the Company shall be responsible for arranging further financing for the JV of RMB250 million for its working capital and business development.

Upon formation of the JV, FMC shall license the BYTON trademark together with other relevant intellectual properties right to the JV Company. The license shall be for a term of three years subject to the terms of the licenses agreement to be entered into between the JV and FMC Cayman.

The capital contribution and financing was determined with reference to the expected business scale of the JV and the working capital needs of the JV and was 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 JV Agreement (including the capital contribution amounts) 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

Completion of the JV Agreement shall be subject to the following conditions precedent:

- (1) subject to relevant regulatory and legal requirements, the Shareholders passing the necessary resolution(s) at the SGM to approve the JV Agreement and the transactions contemplated thereunder in accordance with the Listing Rules requirements; and
- (2) if necessary, the parties having obtained all necessary consents and approvals in respect of the JV Agreement.

The parties shall exercise their best endeavours to the fulfillment of the conditions. In the event that the conditions precedent could not be fulfilled on or before 31 December 2024 (or such later time as may be agreed by the parties in writing), the JV Agreement shall be terminated and ceased.

Completion

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

In any event, if the Company fails to complete its contribution to the JV (i.e. the subscription sum of HK\$45 million) within 45 days from the date of the JV Agreement, FMC Cayman shall be entitled to terminate the JV Agreement.

Upon formation of the JV, the Company will be interested in 90% of the issued share capital of the JV and FMC Cayman will be interested in 10% of the issued share capital of the JV. The JV will be classified as non-wholly owned subsidiary of the Company and its results will be consolidated in the Group in accordance with applicable accounting standards.

INFORMATION ON FMC CAYMAN

FMC Cayman is a company incorporated in the Cayman Islands with limited liability. To the knowledge of the Company, FMC Cayman and its associated companies hold the brand name BYTON and its relevant intellectual properties rights, which is an all-electric vehicle automotive brand established in 2017 co-founded by former executives from branded automotive industry. FMC Cayman and its subsidiaries are principally engaged in the R&D and production of new energy vehicle and holds the relevant BYTON trademarks and intellectual property rights, including relevant knowhows and technologies. FMC Group has produced prototype concept vehicles.

REASONS FOR THE ENTERING INTO OF THE JV AGREEMENT

The Group is principally engaged in securities and futures dealing business, financial investments and money lending business. Upon formation of the JV, the Group will also engage in new energy and smart vehicles business.

The Directors have always been proactive in seeking opportunities for diversifying of the scope of business of the Group. With the increase in awareness of environmental protection, the Company considers that there are prospects in new energy vehicle and the strategic cooperation contemplated under the MOU and the entering into of the JV Agreement will allow the Group to participate in the new energy vehicle business sector. Moreover, the Group can leverage on the expertise and experience of FMC Cayman as the JV partner which shall allow the Group to enter into the segment with competitiveness.

The Directors consider that the terms and conditions of the JV Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Reference is also made to the announcements of the Company dated 28 March 2024 and 10 April 2024 in relation to the grant of options under the share option scheme adopted by the Company. With the entering into of the JV Agreement, the relevant performance target has been met.

THE STRATEGIC COOPERATION AND INVESTMENT MOU

The Company also announces that on 8 May 2024, the Company entered into the strategic cooperation and investment memorandum of understanding (the “MOU”) with FMC Cayman. Set out below are the principal terms of the MOU.

THE MOU

Date: 8 May 2024

Parties: The Company

FMC Cayman

Pursuant to the MOU, the Company and FMC will strategically cooperate with each other for the benefits of both parties.

Cooperation Manner

It is contemplated that the parties will form JV. After formation of the JV, the Group will assist the JV to obtain further financing of RMB250 million for its working capital to develop its business.

FMC Cayman shall or shall procure license the Byton trademark together with relevant intellectual property rights (the “**License of IP Rights**”) to the JV for a tentative term of 3 years, subject to the actual terms of the license agreement. Within 3 years from the date of formation of the JV, the Group may acquire equity interests of FMC Cayman at a valuation that the entire FMC Cayman value of not more than US\$630 million. In the event that the JV can meet the sales plan or completion of acquisition of FMC Cayman, the License of IP Rights shall automatically be renewed. In the event that the JV cannot meet the sales plan, FMC Cayman shall have the right not to renew the License of IP Rights after the expiry of the 3-year period.

For the avoidance of doubt, the MOU is non-legally binding and the transactions contemplated thereunder shall be subject to the entering into and actual terms of the relevant formal agreement(s) between the parties. Further announcement(s) will be made as and when appropriate when such transactions materializes in compliance with the Listing Rules.

LISTING RULES IMPLICATIONS

As the relevant percentage ratio(s) exceed 25% but all relevant percentage ratios are below 100%, the JV Agreement and the transactions contemplated thereunder in aggregate constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the knowledge, information and belief of the Directors, no Shareholders have a material interests in the JV Agreement and the transactions contemplated thereunder and no Shareholders will have to abstain from voting at the SGM to approve the JV Agreement and the transactions contemplated thereunder.

A circular containing, among others, details of the JV Agreement and the notice of SGM is expected to be despatched on or before 30 June 2024.

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
“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
“FMC Cayman”	FMC Cayman, a company incorporated in the Cayman Islands with limited liability and an Independent Third Party
“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
“JV Agreement”	the conditional joint venture agreement dated 8 May 2024 and entered into between the Company and FMC Cayman in relation to the formation of JV
“JV”	the proposed joint venture company to be formed between the Group and FMC Cayman under the JV Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding strategic cooperation and investment memorandum of understanding entered into between the Company and FMC Cayman on 8 May 2024
“PRC”	The People’s Republic of China

“SGM”	the special general meeting of the Company to be convened and held for approving the JV Agreement 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
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Central Wealth Group Holdings Limited
Lo Siu Kit
Chairman

Hong Kong, 8 May 2024

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

Executive Directors

Mr. Lo Siu Kit (*Chairman*)
Mr. Chen Xiaodong (*Vice 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