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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)

VOLUNTARY ANNOUNCEMENT FORMATION OF A CONTROLLED JOINT VENTURE COMPANY

The Board announces that on 28 December 2022, the Cooperation Framework Agreement is entered into between the Subsidiary and Zhongqi Media Technology, pursuant to which the Controlled JV will be established in Shenzhen City, the PRC.

The Controlled JV will be engaged principally in transactions to be engaged by the Controlled JV. The Controlled JV will be owned beneficially as to 60% by the Subsidiary and as to the balance of 40% by Zhongqi Media Technology.

Pursuant to the terms of the Cooperation Framework Agreement, the proposed registered capital of the Controlled JV will be RMB10 million, of which RMB6 million will be contributed by the Subsidiary in cash and RMB4 million will be contributed by Zhongqi Media Technology in cash and borne by the Subsidiary. All contributions will be made by the Subsidiary to the Controlled JV as required by this Agreement. The capital contribution by the Subsidiary shall be deemed to be the fulfilment of Zhongqi Media Technology's paid-in obligations in respect of the registered capital.

The Board announces that on 28 December 2022, the Cooperation Framework Agreement is entered into between the Subsidiary and Zhongqi Media Technology, pursuant to which the Controlled JV will be established in Shenzhen City, the PRC.

The Controlled JV will be engaged principally in the celebrity branding, that is to help Chinese artists and Internet celebrities to develop customised clothing brands, in order to establish our position as a business benchmark in the live streaming industry and develop online and offline businesses. The Controlled JV will be owned beneficially as to 60% by the Subsidiary and as to the balance of 40% by Zhongqi Media Technology when the profit sharing between the Subsidiary and Zhongqi Media Technology shall be at 50% and 50%.

Set out below are the principal terms of the Cooperation Framework Agreement.

THE COOPERATION FRAMEWORK AGREEMENT

Date: 28 December 2022 (after trading hours)

Parties: (a) the Subsidiary
(b) Zhongqi Media Technology

The Subsidiary is a company incorporated in the PRC with limited liability and is a wholly owned subsidiary of the Company.

Zhongqi Media Technology is the domestic top technology company in the media sector, and was established and founded in Shenzhen, PRC, an international innovation city. Zhongqi Media Technology is a CCTV-approved multi-channel advertisement agency, as well as a DouYin e-commerce agency that was named 'Best in Class' in 2020 DouYin e-commerce and 2022 DouYin Industrial Chain Service Provider. Among these, Zhongqi Media Technology ranked first in multiple categories in DouYin's live streaming e-commerce in the women's apparel segment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zhongqi Media Technology and its ultimate beneficial owner(s) are Independent Third Parties. The ultimate beneficial owner(s) of Zhongqi Media Technology is China Brand Communication (China) Co., Limited.

The parties to the Cooperation Framework Agreement agreed that the Controlled JV will be established in Shenzhen City, the PRC. The Controlled JV will be engaged principally in the celebrity branding, in order to establish our position as a business benchmark in the live streaming industry and develop online and offline businesses, subject to the approval of relevant PRC regulatory authorities. Application will be made to the relevant PRC authorities for the necessary permits and business licences for the establishment of the Controlled JV.

Registered capital

Pursuant to the terms of the Cooperation Framework Agreement, the proposed registered capital of the Controlled JV will be RMB10 million. As at the date of the Cooperation Framework Agreement, no contribution has been made by the parties to the Cooperation Framework Agreement yet. Regarding the registered capital of the Controlled JV, the registered capital of RMB6 million will be contributed by the Subsidiary in cash and RMB4 million will be contributed by Zhongqi Media Technology in cash and borne by the Subsidiary. All contributions will be made by the Subsidiary to the Controlled JV as required by this Agreement. The capital contribution by the Subsidiary shall be deemed to be fulfilment of Zhongqi Media Technology's paid-in obligations in respect of the registered capital.

The Group intends to finance the capital contribution of the Subsidiary to the Controlled JV from its internal and/or external resources.

The contributions to the registered capital of the Controlled JV shall be made in full on a one-off basis within seven (7) days upon the establishment of the Controlled JV in accordance with the relevant PRC laws and regulations.

Both parties, as the shareholders of the Controlled JV, shall be entitled to rights of shareholders in proportion to their respective shareholdings in the Controlled JV, provided that the net profit sharing of the Controlled JV between the Subsidiary and Zhongqi Media Technology shall be on a 50% and 50% basis. The proposed registered capital of the Controlled JV was determined after arm's length negotiations between the relevant parties with reference to the future business development of the Controlled JV. The Directors (including the independent non-executive Directors) consider that the proposed registered capital of the Controlled JV is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Completion of establishment

Upon completion of the registration with the relevant PRC authorities and the obtaining of relevant business license, the establishment of the Controlled JV will be completed.

The Controlled JV will become a joint venture company held by the Company upon its establishment and its financial results will be accounted for using consolidation method.

Principal obligations and duties of the parties to the Cooperation Framework Agreement

Under the Cooperation Framework Agreement, Zhongqi Media Technology shall be responsible for the Controlled JV's daily operations and management, as well as the operation of the Controlled JV's live streaming room and the implementation of the product supply chain. The Subsidiary will be in charge of introducing the celebrities. Both parties will work together to expand offline stores as well as acquire and purchase land use rights and fixed assets for the Controlled JV, based on the circumstances.

Shareholders' meeting and executive director of the Controlled JV

The Controlled JV shall set up shareholders' meeting to exercise its powers and functions, which include determining the company's strategic development direction, considering and approving the work reports of the executive directors, and considering and approving the annual financial budget and final accounts of the company. Both parties may confirm online by a designated contact person for matters without obvious disputes or agreed upon. The general manager of the Controlled JV will be appointed by Zhongqi Media Technology and the chief financial officer of the Controlled JV will be appointed by the Subsidiary.

REASONS FOR THE COOPERATION FRAMEWORK AGREEMENT

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

The Directors have been actively seeking opportunities to expand the business scope of the Group. The Controlled JV will be engaged principally in the celebrity branding, that is to help Chinese artists and Internet celebrities to develop customised clothing brands, in order to establish our position as a business benchmark in the live streaming industry and develop online and offline businesses. As a leading provider for Internet and mobile Internet brand service solutions along the industrial chain in China, Zhongqi Media Technology provides cloud computing, big data analysis, industry research, brand promotion and service support, and completes the product design and production through its own supply chain to achieve the upgrade of industrial chain among businesses. Zhongqi Media Technology started to engage in the live streaming e-commerce business from 2020, and was successively named DouYin ‘Best in Class’ Agency, DouYin Industrial Chain Service Provider, and the Industrial Chain Service Provider of Taobao and Kuaishou. Having 167 celebrity live streaming rooms, Zhongqi Media Technology is expected to focus on developing 100 celebrity live streaming rooms in 2023 to generate a GMV of RMB10 billion by creating products and brands endorsed by celebrities. The Controlled JV is one of the outreach programs of the Central Wealth Group, focusing on jointly developing new retail brands with artists and Internet celebrities, as the market size is expected to exceed RMB100 billion.

As a leader of celebrity branding, Zhongqi emphasizes on the development of industrial chain system, and strives to create a unique multi-brand cluster with exclusive positioning of celebrities by putting effort into the source of production and independent research and development, so as to meet the demand of talent, funds, policies and market expansion during the process of innovation and starting businesses. It has incubated and developed a number of premium celebrity brands and introduced a group of innovative talents and projects, being the agency named as the “2022 Industrial Chain Service Provider” by DouYin with express approval. Dr. Wang Cangyu, being the founder and pioneer of the live streaming of amateurs, truly opens up the whole chain of the celebrity branding, creating more than thousands of anchors! From the design and production of the supply chain live private domain full process closed loop, since 2020 to 2022, Zhongqi had recorded a revenue of RMB1.2 billion, RMB3.2 billion, RMB5.6 billion. In 2023, with the strategic cooperation between Central Wealth and Zhongqi, and under the leadership of Dr. Wang Cangyu, it is expected 100 celebrities and stars will be able to achieve the dream of brand kingdom! And aim to meet the revenue target! Amid the industrial development of regulation on live streaming, Zhongqi Media Technology has made an important supplement to the Group’s e-commerce segment in terms of talent, industry and business model, thus enabling the standardisation of every live streaming activity to maintain a steady growth of the live streaming rooms. After the completion of the foundation construction, it is expected that Zhongqi Media Technology will create a new free industrial chain park for the Controlled JV through its industrial chain advantages, and build a one-stop whole-industry chain park for live streaming including live streaming sales, design and production, and high-standard warehouse.

The Directors, including the independent non-executive Directors, consider that the terms of the Cooperation Framework Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the Cooperation Framework Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios in respect of the Cooperation Framework Agreement are all less than 5%, the entering into of the Cooperation Framework Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules and this announcement is made on a voluntary basis.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Cooperation Framework Agreement”	the Cooperation Framework Agreement dated 28 December 2022 and entered into between the Subsidiary and Zhongqi Media Technology in relation to the establishment of the Controlled JV
“Director(s)”	the director(s) of the Company
“GMV”	acronym for Gross Merchandise Volume
“Group”	the Company and its subsidiaries
“Hong Kong”	the 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) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Controlled JV”	中達中啟合資公司 (Central Wealth Zhongqi Joint Venture Co., Ltd*), the joint venture company to be established in Shenzhen City, the PRC under the Cooperation Framework Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	People’s Republic of China
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	深圳中達企業諮詢有限公司 (Shenzhen Central Wealth Enterprise Consulting Co., Ltd.*), a subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Zhongqi Media Technology”	中啟傳媒科技有限公司 (Zhongqi Media Technology Co., Ltd.*), a company established in the PRC with limited liability
“%”	per cent

By order of the Board
Central Wealth Group Holdings Limited
Chen Xiaodong
Chairman

Hong Kong, 28 December 2022

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*)
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. Lin Guoyan

* *For identification purpose only*

In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text thereof.