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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 STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This is a voluntary announcement made by Central Wealth Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the Shareholders and potential investors of the Company that, Shenzhen Central Wealth Enterprise Consulting Co., Ltd.* (深圳中達企業諮詢有限公司) (“**Shenzhen Central Wealth**”), a wholly-owned subsidiary of the Company, entered into a strategic cooperation framework agreement (the “**Cooperation Framework Agreement**”) with Guangzhou Jiafan E-commerce Co., Ltd.* (廣州嘉凡電子商務有限公司) (“**Guangzhou Jiafan**”) for the joint investment in the establishment of a limited liability company (the “**Controlled Joint Venture Company**”) on 2 January 2023.

Guangzhou Jiafan, a company established in China, is a member of the GIALEN Business Group and has the ability to rely on its parent company to carry out the research and development, production, channel sales and other work of beauty products under the Joint Venture Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Guangzhou Jiafan and its ultimate beneficial owner are independent third parties. The ultimate beneficial owner of Guangzhou Jiafan is Guangzhou Qiaolian Industrial Investment Co., Ltd.* (廣州僑聯實業投資有限公司).

The Controlled Joint Venture Company will be engaged principally in the celebrity branding, that is to customize beauty and skin care brands for Internet celebrities and artists, in order to establish our position as a business benchmark in the live streaming industry and develop online and offline businesses, and immediately realize brand incubation from zero to one.

In the Controlled Joint Venture Company, Shenzhen Central Wealth will be mainly responsible for the introduction of celebrities, while Guangzhou Jiafan will be mainly responsible for R&D and production as well as part of distribution channel development. Both parties shall support each other and work diligently together in the course of the business of the Controlled Joint Venture Company.

* For identification purposes only

The key details on the joint establishment of the Controlled Joint Venture Company by both parties are set out below:

- (1) Both parties intend to jointly invest a total of RMB10 million in the Controlled Joint Venture Company in the first phase, including RMB5.1 million from Shenzhen Central Wealth and RMB4.9 million from Guangzhou Jiafan;
- (2) The initial registered capital of the Controlled Joint Venture Company is RMB10 million, and the share proportion of both parties is 51% for Party A and 49% for Party B. Both parties will complete the initial investment by way of paid-in capital;
- (3) Any additional investment, if necessary, in the Controlled Joint Venture Company shall be negotiated by both parties at that time.

The Cooperation Framework Agreement is a framework agreement for cooperation between both parties. The specific rules for the establishment of the Controlled Joint Venture Company shall be implemented after both parties continue to reach specific documents such as the Articles of Association on the basis of the Cooperation Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

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

The Controlled Joint Venture Company will be engaged principally in the celebrity branding, that is to customize beauty and skin care brands for Internet celebrities and artists, develop online and offline business, and immediately realize brand incubation from zero to one. GIALEN Group, the Controlled Joint Venture Group, established in 1999 and with an annual output value of tens of billions, is a high-tech cosmetics company focusing on R&D and production of cosmetic products and has production bases of more than 40,000 square meters. It has worked together with many well-known colleges and institutes in building “Baiyun Meowan International Cosmetics Research Institute Cluster”, invested a lot in creating the most comprehensive efficacy evaluation system in China, and established the largest international cosmetics institutes cluster across the country by the policy support and incentives of the Chinese government and the cooperation intention agreement with nearly 20 colleges in China, as well as led by 18 Nobel Prize-winning professors and well-known academicians at home and abroad, which promotes the gathering and orderly flow of various innovative factors such as basic research, technological achievements, and platform services and talents, and facilitates the technological progress, transformation and upgrading of cosmetics companies, and boosts the product competitiveness and brand values, and represents as the key industrial project supported by the national government. GIALEN not only excels in R&D and innovation, but also has established its own raw material system and developed in-depth cooperative relations with large raw material suppliers such as Dow in the United States, AkzoNobel in the Netherlands, Nissin in Japan, and Merck in Germany. Based on the capacity accumulation and huge investment in the past 20 years, the Company has TIMIER, TIMIER HOUSE, FLOWER WISH and other well-known cosmetics brands in China. It has a scale of over 4,000 offline entity chains and has a sound and complete system of human, finance, materials and trust currently, which provides strong support for the national production, supply, sales, storage and retail operations. Central Wealth Group and GIALEN Group will cultivate new retail beauty and skin care brands with a focus on artists and Internet celebrities to immediately realize a market volume of 100 billion!

Mr. Li Jing, CEO of Central Wealth Group, has made strenuous efforts in the incubation of top talent stars and the construction of brand supply chain channels in the Douyin live broadcasting track. The annual output value of GMV exceeded RMB10 billion and the annual sales of many brands, including the brands under GIALEN, surpassed RMB100 million. According to the live broadcast experience of years and the integration of star resources, 90% of the stars and Internet celebrities desires to have their own brands, rapidly opens the market with traffic ports, settle through big consumption goods, and create individual branding as the core value. And the so-called personal brand is a complex of expanded virtue, credit, contribution, value and belief based on the development of information. On the surface, individualized branding is the real representation of fan economy for entrepreneurs and dreamers, refers to wealth and honor. “From the rise of the internet, the value of individualized branding has been expanded again, and people have generally transformed their consumption from brand-oriented and enterprise-centered to individual-centered. As such, individual brands will definitely flourish in the future.” “From the individual comprehensive sale index, fan enthusiasm and traffic exposure index of representatives such as Li Jiaqi and others, the era of individual branding has come, and a person’s value in the future will exceed that of a listed company!”

The obstacles of the past star brands and individual brands were due to lacking full-fledged R&D supply chain system. After the development and production of products, in addition to its own traffic fan ports, there were no better output channels, the sales model was too simple, and the management system was not sound, which leads to the brand driving high and going low and failing to comprehensively develop and prosper. However, Central Wealth Group and GIALEN have the first-hand authoritative full-line R&D system, first-hand billion-level traffic ports, and matrix-style comprehensive building of star individual branding!

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.

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

Hong Kong, 3 January 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*)
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