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CHINA NEW CONSUMPTION GROUP LIMITED

中國新消費集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8275)

DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES IN A LISTED COMPANY

Financial Adviser to China New Consumption Group Limited



THE DISPOSAL

The Board wishes to announce that on 17 November 2023, the Vendor disposed of 16,300,000 CBK Shares for an aggregate consideration of approximately HK\$14.83 million (exclusive of transaction costs) at the selling price of HK\$0.91 per CBK Share through block trade. The Disposal Shares represent approximately 17.47% of the total issued shares of CBK as at the date of this announcement.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Disposal exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 19.33 of the GEM Listing Rules and is subject to the notification and announcement requirements.

THE DISPOSAL

The Board wishes to announce that on 17 November 2023, the Vendor disposed of 16,300,000 CBK Shares for an aggregate consideration of approximately HK\$14.83 million (exclusive of transaction costs) at the selling price of HK\$0.91 per CBK Share through block trade. The Disposal Shares represent approximately 17.47% of the total issued shares of CBK as at the date of this announcement. Following the Disposal, the Vendor would cease to hold any CBK Shares.

The selling price of HK\$0.91 per CBK Share represents a discount of 23.53% to the closing price of HK\$1.19 per CBK Share as quoted on the Stock Exchange on 16 November 2023, being the trading day immediately prior to the date of the Disposal. The selling price of HK\$0.91 per CBK Share was determined after arm's length negotiations between the Company and the Purchaser. The Directors consider that the Disposal is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The selling price of HK\$0.91 per CBK Share was determined after arm's length negotiations between the Company and the Purchaser. The Directors consider that such selling price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Moreover, the Disposal will enhance the liquidity of the Group. As such, the Directors consider that the terms of the Disposals are fair and reasonable and the Disposals are in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL

As at 16 November 2023, the carrying amount of the Disposed Shares was approximately HK\$4.75million. As a result of the Disposal, the Group is expected to recognise a gain of approximately HK\$10.04million (before taxation), which is calculated based on the difference between the carrying amount of the Disposed Shares as at 16 November 2023 and the net proceeds from the Disposal. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditor of the Company.

The Group expects to receive net proceeds of approximately HK\$14.79 million from the Disposal. The Group currently intends to use the proceeds as general working capital.

INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in the provision of foundation work and machinery rental in Hong Kong.

The Vendor is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. Its principal business is provision of machinery rental service.

INFORMATION ON CBK

CBK is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (Stock Code: 8428.HK). CBK is an investment holding company and CBK Group is principally engaged in (i) the provision of food catering services through restaurant; and (ii) sales and processing of food in Hong Kong.

Based on the annual report for the year ended 31 March 2023 of CBK (the “**2023 Annual Report**”), the audited total assets and net liabilities of CBK were approximately HK\$21.36 million and HK\$2.29 million respectively as at 31 March 2023.

Based on the interim report for the six months ended 30 September 2023 of CBK (the “**2023 Interim Report**”), the unaudited total assets and net assets of CBK were approximately HK\$29.22 million and HK\$7.20 million respectively as at 30 September 2023.

The following financial information of CBK was extracted from the 2023 Annual Report and the 2023 Interim Report:

| | For the six months ended 30 September 2023 Unaudited HK\$'000 | For the year ended 31 March 2023 Unaudited HK\$'000 | For the year ended 31 March 2022 Unaudited HK\$'000 |
|--|--|--|--|
| Revenue | 13,695 | 30,040 | 27,302 |
| Loss before tax from continuing operations | 9,402 | 24,975 | 33,141 |
| Loss from discontinued operations | – | – | 35,374 |
| Net loss | 9,402 | 24,975 | 68,515 |

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Disposal exceeds 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 19.33 of the GEM Listing Rules and is subject to the notification and announcement requirements.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

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|---------------------|---|
| “Board” | the board of Directors |
| “CBK” | CBK Holdings Limited, a company incorporated in the Cayman Island with limited liability whose issued share are listed on GEM (stock code: 8428) |
| “CBK Group” | CBK and its subsidiaries |
| “CBK Share(s)” | Ordinary share(s) of par value HK\$0.01 each in the capital of CBK |
| “Company” | China New Consumption Group Limited, a company incorporated in the Cayman Island with limited liability whose issued share are listed on GEM (stock code: 8275) |
| “Directors” | the directors of the Company |
| “Disposal” | The disposal of 16,300,000 CBK Shares by the Vendor at the selling price of HK\$0.91 per CBK Share for an aggregate consideration of approximately HK\$14.83 million (exclusive of transaction costs) through block trade on 17 November 2023 |
| “Disposed Shares” | The 16,300,000 CBK Shares disposed by the Vendor at the selling price of HK\$0.91 per CBK Share for an aggregate consideration of approximately HK\$14.83 million (exclusive of transaction costs) through block trade on 17 November 2023 |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | The Hong Kong Special Administrative Region of the PRC |

| | |
|--------------------------------|---|
| “Independent Third Party(ies)” | person(s) or company(ies) who/which is not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial Shareholders of the Group or any of their respective associates |
| “Shareholder(s)” | holder(s) of the issued ordinary share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Longson Enterprise Development Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “%” | per cent |

By Order of the Board
China New Consumption Group Limited
Tang Kwai Leung Stanley
Chairman and Executive Director

Hong Kong, 17 November 2023

As at the date of this announcement, the Board comprises Mr. Tang Kwai Leung Stanley as executive Director; and Mr. He Dingding, Ms. Chan Tsz Hei Sammi and Ms. Liu Ching Man as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.irasia.com/listco/hk/chinanewcons.