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Holdings FinTech Group Limited 中新

CHONG SING HOLDINGS FINTECH GROUP LIMITED

中新控股科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8207)

**DISCLOSABLE TRANSACTION AND
CONNECTED TRANSACTION**

DISPOSAL OF THE TARGET COMPANY

The Board is pleased to announce that on 13 December 2019 (after trading hour), the Seller, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Seller agreed to dispose of and the Purchaser agreed to acquire the Sale Shares at the Purchase Price.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratio(s) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a disclosable transaction of the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement and prior to the Completion, the Purchaser holds approximately 28.82% shareholding of the Target Company, which is a subsidiary of the Company, and, thus, a connected person of the Company at the subsidiary level. Hence, the Disposal constitutes a connected transaction under Chapter 20 of the GEM Listing Rules.

Given that (i) the Board has approved entering into the Sale and Purchase Agreement together with the Disposal contemplated thereunder; and (ii) the independent non-executive Directors have confirmed that the terms of the Sale and Purchase Agreement are fair and reasonable, and the Disposal is on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules.

INTRODUCTION

The Board announces that on 13 December 2019 (after trading hour), the Seller entered into the Sale and Purchase Agreement pursuant to which the Seller agreed to dispose of and the Purchaser agreed to acquire the Sale Shares at the Purchase Price.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date	:	13 December 2019
Parties	:	(i) the Seller as seller
	:	(ii) the Purchaser as purchaser
Subject matter	:	the Sale Shares, representing 20% of the entire issued share capital of the Target Company

As at the date of this announcement and prior to the Completion, the Purchaser holds approximately 28.82% shareholding of the Target Company, which is a subsidiary of the Company, and, thus, a connected person of the Company at the subsidiary level

Consideration

HK\$20 million in cash to be satisfied as follows:

- (a) a deposit of HK\$10 million to be paid by the Purchaser to the Seller within seven business days upon the signing of the Sale and Purchase Agreement; and
- (b) the remaining balance of HK\$10 million to be paid by the Purchaser to the Seller within three business days upon Completion.

The Consideration was arrived at after arm's length negotiations between the Seller and the Purchaser on normal commercial terms taking into account, among others, the financial performance of the Target Company and its business prospects with reference to the valuation of the sale interest of approximately HK\$7 million as at 30 September 2019 conducted by an independent qualified valuer.

INFORMATION OF THE TARGET COMPANY

The Target Company is a holding company for all the overseas business outside of the PRC, under Zhangzhong Technology. The business is principally engaged in online investment and lending services through multiple online platforms. The Target Company was incorporated in the Cayman Islands with limited liability and a subsidiary of the Company.

INFORMATION OF THE PARTIES

The Group is a leading integrated FinTech group in China with a focus on providing 24 x 7 online financial services to SMEs, merchants and individuals in China and Asia through internet and mobile solutions. The suite of FinTech services offered by the Group includes third party payment, online investment and technology-enabled lending. The Seller is principally engaged in investment holding.

The Purchaser is a shareholder with approximately 28.82% shareholding of the Target Company.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

As at the date of announcement, the Target Company is owned as to approximately 48% by the Seller. As the Group has control over the Target Company, the Target Company is accounted for as a subsidiary of the Company. Upon completion, the Group will hold approximately 28% of the shares in the Target Company and no longer has any control over the management rights of the Target Company. The Target Company will cease to be a subsidiary of the Company. The financial results of the Target Company will no longer be consolidated in the financial statements of the Group upon Completion.

The Disposal is expected to accrue to the Company a gain of approximately HK\$8 million, which is estimated on the basis of the difference between the Consideration and the unaudited net asset value of 20% equity interest of the Target Company (approximately HK\$12 million) and then minus the transaction costs and the related tax attributable to the Disposal.

The proceeds generated from the Disposal will be used for the repayment of the outstanding loans and general working capital of the Company.

“Consideration”	HK\$20 million
“connected person(s)”, “Percentage Ratio” and “Subsidiaries”	have the meanings ascribed to them under the GEM Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the Sale and Purchase Agreement
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Goldwell Global Limited, a company incorporated in British Virgin Islands with limited liability and wholly owned by Zhang Jinghua (張敬華)
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 13 December 2019 entered into between the Seller and the Purchaser for the Disposal
“Sale Shares”	20% of the entire issued share capital of the Target Company
“Seller”	Marvel Paradise Group Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Shareholder(s)”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Weshare Global Limited, a company incorporated in the Cayman Islands with limited liability
“Zhangzhong Technology”	Beijing Zhangzhong Technology Limited (北京掌眾科技有限公司), a company incorporated in the PRC with limited liability
“%”	per cent.

By order of the Board
Chong Sing Holdings FinTech Group Limited
Phang Yew Kiat
Vice-Chairman and Chief Executive Officer

Hong Kong, 13 December 2019

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Phang Yew Kiat (*Vice-Chairman and Chief Executive Officer*)

Mr. Wong Ka Bo, Jimmy

Non-executive Directors:

Ms. Li Shuang

Mr. Sheng Jia

Independent Non-executive Directors:

Mr. Ge Ming

Dr. Ou Minggang

Mr. Wang Songqi

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company (www.csfgroup.com).