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中国忠旺控股有限公司*
China Zhongwang Holdings Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 01333)

ANNOUNCEMENT

UPDATE ON THE PROPOSED SPIN-OFF OF LIAONING ZHONGWANG GROUP THROUGH ASSET RESTRUCTURING WITH CRED HOLDING

We refer to the announcements dated 20 March 2020, 14 April 2020, 22 April 2020 and 29 April 2020 (the “**Announcements**”) of China Zhongwang Holdings Limited (the “**Company**”) in relation to, among others, the proposed Zhongwang Asset Restructuring of the Company. Unless otherwise stated, the capitalized terms in this announcement shall have the same meaning as those used in the Announcements.

Proposed Spin-off

The Board is pleased to inform the Shareholders and potential investors that, the Company had submitted a spin-off proposal in relation to the Proposed Spin-off to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules and, on 14 August 2020, the Company received confirmation from the Stock Exchange that it may proceed with the Proposed Spin-off (the “**PN15 Confirmation**”).

Waiver Application

According to the existing laws and regulations of the PRC, no foreign investors are allowed to subscribe for A shares in the PRC unless they are (i) strategic investors that are approved by the Ministry of Commerce of the PRC; (ii) qualified foreign institutional investors, (iii) Renminbi qualified foreign institutional investors, (iv) qualified foreign individuals, or (v) certain eligible foreigners. Given that a substantial number of Shareholders do not fall within the scope of investors mentioned above, it would not be feasible for the Company to provide the assured entitlement to such Shareholders. Given that (i) the Zhongwang Consideration Shares will only be listed and traded on the SSE, and (ii) a substantial number of Shareholders are considered as foreign investors under the relevant PRC laws, no assured entitlement to the A shares of CRED Holding will be offered to the Shareholders in connection with the Proposed Spin-off.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under Practice Note 15 of the Listing Rules subject to the conditions set out therein (the “**Assured Entitlement Waiver**”). The Board confirms that the Proposed Spin-off and the Assured Entitlement Waiver are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Further information of the PN15 Confirmation and the Assured Entitlement Waiver will be set out in the circular to be despatched by the Company to the Shareholders in relation to, among others, the Proposed Spin-off and the Zhongwang Asset Restructuring.

The Shareholders are reminded that the Zhongwang Asset Restructuring and the Proposed Spin-off are subject to various regulatory and corporate approvals (including the approval by the CSRC) and may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
China Zhongwang Holdings Limited
Chairman
Lu Changqing

Hong Kong, 14 August 2020

As at the date of this announcement, the Board consists of:

Executive Directors

Mr. Lu Changqing and Ms. Ma Qingmei

Non-executive Directors

Mr. Chen Yan, Mr. Lin Jun and Mr. Wei Qiang

Independent Non-executive Directors

Mr. Wong Chun Wa, Mr. Wen Xianjun, Mr. Shi Ketong and Mr. Lo Wa Kei, Roy

** For identification purpose only*