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智富資源投資控股集團有限公司

WISDOM WEALTH RESOURCES INVESTMENT HOLDING GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

**MAJOR TRANSACTION
IN RESPECT OF
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
OF
MILLHAVEN HOLDINGS LIMITED**

THE DISPOSAL

On 5 November 2021, the Vendor, being a wholly-owned subsidiary of the Company, the Purchaser, being an independent third party, and the Company entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Disposal Company, for a consideration of HK\$338.0 million, which will be satisfied wholly in cash.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Agreement and the transactions contemplated thereunder on the conditions that (i) no Shareholders are required to abstain from voting if a general meeting of the Company is held to approve the Agreement and the transactions contemplated thereunder; and (ii) an approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their associates have any material interest in the Agreement and the transactions contemplated thereunder and thus none of the Shareholders are required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder. Dr. Hui and his associates who together hold an aggregate of 2,139,486,542 Shares, representing 53.49% of the issued share capital of the Company, have given a written approval for the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules and such written approval is accepted in lieu of holding a general meeting. As a result, no special general meeting will be convened by the Company for the purpose of approving the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal and other disclosures required pursuant to the Listing Rules will be despatched to the Shareholders on or before 30 November 2021.

On 5 November 2021, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with, among others, the Purchaser to dispose of the Sale Shares. Details of the Disposal are set out as follows:

THE AGREEMENT

Date

5 November 2021

Parties to the Agreement

Vendor: Hong Kong Finance Property Group Limited (香港金控地產集團有限公司), an investment holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement.

Purchaser: Sincere Alliance Group Limited (誠盟集團有限公司), an investment holding company incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

Issuer: the Company.

Assets to be disposed of

The assets to be disposed of under the Agreement are the Sale Shares, being 1,000 ordinary shares of US\$1 each in the issued share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company.

Consideration

The consideration for the Disposal is HK\$338.0 million, which shall be satisfied wholly in cash as to (i) HK\$8.0 million as a non-refundable deposit to be paid on the date of the Agreement; and (ii) HK\$330.0 million to be paid upon completion of the Disposal. As at the date of this announcement, the deposit has already been received by the Group.

The consideration of the Disposal was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the adjusted consolidated net asset value of the Disposal Group as at 30 June 2021 of approximately HK\$368.5 million (calculated based on the unaudited consolidated net asset value of the Disposal Group as at 30 June 2021 of approximately HK\$409.0 million and adjusted by the market value of the Properties appraised by an independent valuer of RMB290.0 million (equivalent to approximately HK\$348.0 million) as at 30 September 2021 using market approach).

The Consideration represents a discount of approximately 8.3% to the adjusted consolidated net asset value of the Disposal Group. In light of the heightened market concerns about the worsening debt problems in China's property market after the outbreak of the China Evergrande crisis, the Directors consider that it may not be easy for property companies to obtain domestic bank financing in China. Therefore, it will be in the interest of the Company to realize the Properties even at a discount so that the Group can get an immediate cashflow to repay its outstanding loans and further develop its other businesses. The Directors are of the view that the consideration for the Disposal is fair and reasonable having considered the prevailing market sentiment of the property market in China.

Conditions precedent

Completion of the Disposal is conditional upon, *inter alia*:

- (i) the Board having approved the Agreement and transactions contemplated thereunder;
- (ii) the respective board of directors of the Vendor and the Purchaser having approved the Agreement and transactions contemplated thereunder;

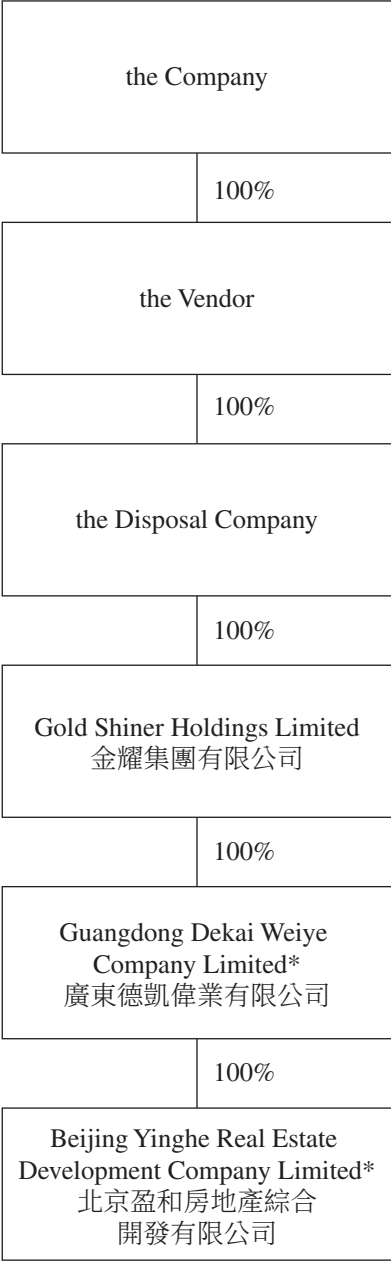
- (iii) the Shareholders having approved the Agreement and transactions contemplated thereunder in compliance with the Listing Rules;
- (iv) the relevant governmental and regulatory authorities having granted all the necessary approvals, consents, authorizations and licences in relation to the transactions contemplated under the Agreement; and
- (v) the Purchaser being satisfied with the results of the due diligence on the Disposal Group.

Conditions (i), (ii), (iii) and (iv) are not waivable. Completion of the Disposal shall take place on the date on which all the conditions precedent of the Disposal having been satisfied or waived. As at the date of this announcement, conditions (i), (ii) and (iii) have been fulfilled. If the conditions shall not have been fulfilled within three months from the date of the Agreement or such later date as the parties to the Agreement may agree in writing, the Agreement shall be terminated and of no effect.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is an investment holding company incorporated in the BVI with limited liability in 2016. The Disposal Company is wholly-owned by the Vendor as at the date of this announcement.

The corporate structure of the Disposal Group as at the date of this announcement is set out as follow:



The Disposal Company holds the entire issued share capital of Gold Shiner Holdings Limited (金耀集團有限公司), an investment holding company incorporated in Hong Kong with limited liability in 2015, which in turn holds 100% equity interest in 廣東德凱偉業有限公司 (Guangdong Dekai Weiye Company Limited*), an investment holding company established under the laws of the PRC in 2016. It holds 100% equity interest in 北京盈和房地產綜合開發有限公司 (Beijing Yinghe Real Estate Development Company Limited*), a company established under the laws of the PRC in 1997 and holds the Properties.

The Properties comprise two commercial units on the first and second floor, 384 parking spaces and warehouses in Block 2 with a total gross floor area of approximately 16,360 square meters as well as the advertising displays on the roof top and exterior walls of Block 1-6 of Rong Ning Yuan Community (榮寧園小區) at No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC.

The unaudited consolidated financial information of the Disposal Group, which have been prepared in accordance with accounting principles generally accepted in Hong Kong, is summarized as follows:

	For the year ended	
	31 December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation	145,224	39,553
Net loss after taxation	<u>108,824</u>	<u>28,434</u>

The Disposal Group recorded a net loss before taxation for each of the years ended 31 December 2019 and 2020, which was mainly attributable to the recognition of loss in fair value change on the Properties. As at 30 June 2021, the Disposal Group had an unaudited consolidated net asset value of approximately HK\$409.0 million.

REASONS FOR THE DISPOSAL

The Company is an investment holding company and the principal activities of the Group include trading of electronic products and natural resources, petrochemical production, oil and gas exploration and production, mineral mining, provision of financial services and property development and investment.

As disclosed in the annual report of the Company for the year ended 31 December 2019 and the interim report of the Company for the six months ended 30 June 2020, the property development and investment segment of the Group mainly focused on two property projects, namely the Zhanjiang project and the Properties. The Zhanjiang project comprises five land parcels located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhanjiang City, Guangdong Province, the PRC with total site area and total planned gross floor area of approximately 266,000 square meters and 1.3 million square meters respectively and it is in the development stage. The Properties mainly comprise investment properties located in Xicheng District, Beijing and they have been generating rental income to the Group. The revenue derived from the Properties accounted for approximately 1.7% and 1.5% of the total revenue of the Group for the year ended 31 December 2019 and the six months ended 30 June 2020 respectively.

Given that (i) the rental income generated from the Properties only accounted for a small portion of the Group's revenue; (ii) the Disposal Group has a loss-making track record in the past two years and its revenue contribution to the Group is unstable; (iii) the Group had funding needs for the repayment of outstanding loans; and (iv) the Group has a present intention to focus its resources on the development of the Zhanjiang project and other business segments of the Group, in particular the sand mining business in Papua New Guinea where the Group has been granted an exclusive operating right for constructing and operating a port terminal and conducting sand mining and export business in the Kikori Delta in the Gulf of Papua with a total area of 23,300 square kilometers and the Group has established a comprehensive strategic cooperation with China Harbour Engineering Company Limited (中國港灣工程有限責任公司) for carrying out sand mining operation and the planning, construction and operation of fairway and terminal facilities, the Board considers that the Disposal can prevent the Group from incurring further loss from the Properties and provide an immediate cashflow to the Group for repayment of borrowings and general working capital to support the future development of the Group.

In view of the above, the Directors are of the opinion that the Agreement is on normal commercial terms and the terms of which are fair and reasonable, and the entering into of the Agreement is in the interests of the Company and Shareholders as a whole.

USE OF PROCEEDS

The net proceeds of the Disposal (after payment of professional fees and other related expenses) are estimated to be of approximately HK\$337.5 million. The Company intends to apply the net proceeds from the Disposal for general working capital of the Group and repayment of outstanding loans.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Agreement, the Group shall not have any equity interest in the Disposal Company and the Disposal Company shall cease to be a subsidiary of the Company since then.

It is estimated that a loss on disposal of approximately HK\$30.5 million will be recorded by the Group, which is calculated based on the difference between the consideration for the Disposal of HK\$338.0 million and the adjusted unaudited consolidated net asset value of the Disposal Company as at 30 June 2021 of approximately HK\$368.5 million. The actual gain or loss as a result of the Disposal to be recorded by the Group may be changed depending on the consolidated net book value of the Disposal Company as at the date of completion of the Agreement and is subject to any accounting adjustment and audit by the auditors of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Agreement and the transactions contemplated thereunder on the conditions that (i) no Shareholder is required to abstain from voting if a general meeting of the Company is held to approve the Agreement and the transactions contemplated thereunder; and (ii) an approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their associates have any material interest in the Agreement and the transactions contemplated thereunder and thus none of the Shareholders are required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, (i) Wisdom On Holdings Limited holds 954,000 Shares; (ii) Hong Kong Finance Investment Limited holds 277,926,000 Shares; (iii) Hong Kong Finance Equity Management Limited holds 407,187,143 Shares; (iv) Hong Kong Finance Equity Investment Limited holds 841,780,284 Shares; and (v) Hong Kong Finance Equity Holding Limited holds 611,639,115 Shares, all of which are companies wholly-owned by Dr. Hui. Therefore, Dr. Hui and his associates, who together hold an aggregate of 2,139,486,542 Shares, representing 53.49% of the issued share capital of the Company as at the date of this announcement. Dr. Hui and his associates have given a written approval for the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules and such written approval is accepted in lieu of holding a general meeting. As a result, no special general meeting will be convened for the Company for the purpose of approving the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal and other disclosures required pursuant to the Listing Rules will be despatched to the Shareholders on or before 30 November 2021.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Agreement”	the sale and purchase agreement dated 5 November 2021 entered into among the Vendor, the Purchaser and the Company in relation to the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Wisdom Wealth Resources Investment Holding Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Hui”	Dr. Hui Chi Ming, <i>G.B.S., J.P.</i> , Chairman of the Board, an executive Director and controlling Shareholder
“Disposal”	the disposal of the Sale Shares, representing the entire issued share capital of the Disposal Company, by the Vendor to the Purchaser in accordance with the terms and conditions of the Agreement
“Disposal Company”	Millhaven Holdings Limited, a company incorporated in the BVI with limited liability

“Disposal Group”	the Disposal Company and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	the properties located at Rong Ning Yuan Community owned by the Disposal Group
“Purchaser”	Sincere Alliance Group Limited (誠盟集團有限公司), a company incorporated in the BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	1,000 ordinary shares of US\$1 each in the issued share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of United States of America

“Vendor” Hong Kong Finance Property Group Limited (香港金控地產集團有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

“%” per cent

By order of the Board
Wisdom Wealth Resources Investment Holding Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 11 November 2021

For the purposes of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the exchange rate of RMB1 to HK\$1.2. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the senior consultants of the Company comprise Dr. Wang Tao, Mr. Fu Chenyu and Mr. Lalaharisaina Joelivalerien; the Board comprises seven executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Mr. Cao Yu, Mr. Xu Jun Jia, Mr. Lam Kwok Hing, M.H., J.P., Mr. Nam Kwok Lun and Mr. Hui Ngok Lun; and three independent non-executive Directors, namely, Mr. Ngan Kam Biu, Stanford, Mr. Tam Chak Chi and Mr. Ma Kin Ling.

* *for identification purpose only*