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CWT INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 521)

ANNOUNCEMENT PURSUANT TO RULES 13.51(2) AND 13.51B(2) OF THE LISTING RULES

This announcement is made by CWT International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51(2) and 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), in relation to the change of particulars of Mr. Wang Kan (“**Mr. Wang**”), an executive director of the Company (the “**Director**”), the chairman of the board of Directors (the “**Board**”) and the chief executive officer of the Company.

The Board has been informed that HY Energy Group Co., Ltd.* (海越能源集團股份有限公司, “**HY Energy**”), a company of which Mr. Wang is a director and whose shares are listed on the Shanghai Stock Exchange (stock code: 600387), received an Advance Notice of Administrative Penalties (Chu Fa Zi [2022] No. 142) (《行政處罰事先告知書》(處罰字[2022]142號)) from the China Securities Regulatory Commission (the “**CSRC**”) on 5 September 2022 (the “**Notice**”).

Pursuant to the Notice, HNA Group Co., Ltd.* (海航集團有限公司, the “**HNA Group**”), being a wholly-owned subsidiary of the controlling shareholder of the Company, implemented integrated, vertical, three-tier control and management in finance and implemented integrated management of cash flow. As a result, funds were allocated by HNA Group (the “**Fund Allocation**”). HY Energy and its concerning related parties are all companies actually controlled by the HNA Group.

During the period from February 2020 to May 2020, HY Energy provided a total sum of approximately RMB1,982.70 million to its concerning related parties through a series of transactions (the “**Transactions**”) but did not disclose the Transactions in a timely manner nor in the 2020 interim report of HY Energy pursuant to applicable securities laws and regulations of the People’s Republic of China and the Shanghai Stock Exchange Listing Rules (the “**Applicable Securities Laws and Regulations**”). As at 21 December 2021, the funds of the Transactions have been fully returned to HY Energy.

Due to failure to disclose the related parties’ relationship of the concerning related parties of HY Energy and failure to disclose the Transactions in the 2020 interim report of HY Energy, pursuant to The Applicable Securities Laws and Regulations, the CSRC proposed to issue a warning and impose a fine in the amount of RMB1,000,000 against HY Energy. Besides, the CSRC also proposed to issue warnings and impose fines ranging from RMB500,000 to RMB700,000 against the direct responsible person in charge and three other direct responsible persons at that time as they signed and confirmed the 2020 interim report of HY Energy and were regarded as participated in or knew about the Transactions. Mr. Wang, as a director of HY Energy who signed and confirmed the 2020 interim report of HY Energy, was regarded as one of the three other direct responsible persons. Subject to administrative review procedures in which making representations, defending, and demanding for hearing and reviews may be concerned, the CSRC will issue a warning and impose a fine of RMB500,000 against Mr. Wang.

For further details regarding Transactions and the Applicable Securities Laws and Regulations about the Notice, please refer to the announcement dated 6 September 2022 made by HY Energy available on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

The Board would like to emphasise that:

1. the Fund Allocation had not negatively affected the Company and the Notice would not affect the finance and operation of the Company and the Company has adhered to and complied with the disclosure requirement under the Listing Rules and other applicable laws and regulations;
2. the Company has a system to monitor all compliance issues and no material defect was found in the recent years. Going forward, the Company will from time to time consider to implement further measures to ensure strict compliance with the Listing Rules and other applicable laws and regulations; and
3. the Company has arranged appropriate training to the Directors in relation to the disclosure requirement under the Listing Rules and other applicable laws and regulations on a regular basis to ensure its strict compliance. The Company will continue to provide such training going forward.

Save as disclosed above and to the best knowledge, information and belief of the Board, the above administrative penalties proposed by the CSRC do not relate to any directors and the management of the Group.

Save as disclosed in this announcement, Mr. Wang has confirmed that, insofar as Rule 13.51(2) of the Listing Rules is concerned, there is no other matter which needs to be brought to the attention of the shareholders of the Company.

By order of the Board
CWT INTERNATIONAL LIMITED
Wang Kan
Executive Director

Hong Kong, 13 September 2022

As at the date of this announcement, the Board comprises Mr. Wang Kan (Executive Director, Chairman and Chief Executive Officer), Mr. Zhao Quan (Executive Director), Mr. Peng Biao (Executive Director), Ms. Yan Shen (Executive Director), Mr. Leung Shun Sang, Tony (Independent Non-executive Director), Mr. Liem Chi Kit, Kevin (Independent Non-executive Director) and Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director).

* *For identification purpose only*