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SUNWAH KINGSWAY **新華滙富**

SUNWAH KINGSWAY CAPITAL HOLDINGS LIMITED

新華滙富金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00188)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF FUND

THE SUBSCRIPTION AGREEMENT

On 27 September 2022, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for the Participating Shares at a total subscription amount of HK\$50 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement and notification requirements under the Listing Rules.

INTRODUCTION

On 27 September 2022, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for the Participating Shares at a total subscription amount of HK\$50 million.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarized as follows:-

Date

27 September 2022

Parties

- 1) Primo Financial Group Limited, as the Subscriber; and
- 2) The Fund.

Subscription Amount

Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe for the Participating Shares in the Fund, at a total subscription amount of HK\$50 million. The Subscription will be funded by the internal resources of the Group. The initial issue price for the Participating Shares during the Initial Offer Period is HK\$1,000 per Participating Share.

Principal terms of the Subscription

Name of the Fund:	SWK Dynamic OFC
Administrator:	CCB (Asia) Trustee Company Limited, a company incorporated under the laws of Hong Kong, appointed by the Fund to provide administrative and custodial services for the Fund
Investment Manager:	Kingsway SW Asset Management Limited, a company incorporated under the laws of the British Virgin Islands, a registered non-Hong Kong company and licensed by the Securities and Futures Commission to carry out type 9 (asset management) regulated activity, and a wholly owned subsidiary of the Group
Subscription Amount:	HK\$50 million
Participating Shares:	The Class B non-voting redeemable participating shares of the Fund
Initial Offer Price:	The initial issue price for the Participating Shares during the Initial Offer Period is HK\$1,000 per Participating Share.

Investment objectives and strategies:	The Fund's investment objective is to achieve attractive capital appreciation by adopting a long/short strategy to invest in (i) listed and unlisted debt and equity securities, and pre-IPO securities the issuers of which are incorporated and/or operated in primarily Hong Kong or the rest of the world, (ii) cash, bank deposits, certificates of deposit, foreign currencies and foreign exchange contracts, and/or (iii) any other asset classes that are considered appropriate by the Investment Manager.
Management Fee:	The Investment Manager shall be entitled to receive a monthly management fee equal to 2% per annum of the net asset value of such Participating Shares in issue.
Performance Fee:	The performance fee will be payable on an annual basis on the appreciation in the net asset value of such Participating Shares above the high watermark. The performance fee would be 20% of the appreciation, multiplied by the number of Participating Shares as at the valuation point of the relevant valuation date.
Redemption:	Participating Shares may generally be redeemed as of each redemption date (i.e. the first business day of each calendar month).
Subscription Charge:	The Fund reserves the right, exercised in sole and absolute discretion of the directors of the Fund, to charge a subscription charge in respect of any or all Participating Shares on a case-by-case basis. No subscription charge will apply to this Subscription.
Dividends:	The Fund may declare and pay dividends at any time during the duration of the Fund up to all or substantially all of the net investment income and net realised capital gain of the Fund (after deduction of all relevant expenses and costs).

INFORMATION OF THE FUND

The Fund is an open-ended fund company incorporated on 23 May 2022 under Part IVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Since the Fund is newly established and has not commenced business yet, neither financial information nor past performance of the Fund are presented in this announcement.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Fund, other investors and their ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE GROUP AND THE SUBSCRIBER

The Group's principal businesses are the provision of financial services, including securities and commodities and futures broking, corporate finance, asset management, money lending, property investment and proprietary investments.

The Subscriber is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

INFORMATION OF THE INVESTMENT MANAGER

The Investment Manager is a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. It is licensed by the Securities and Futures Commission to carry out type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). It is principally engaged in the provision of asset management services.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

One of the principal activities of the Group is investment in financial instruments. The Group is committed to seeking for different investment opportunities that would enhance the value of the Group.

The Group subscribed for the Fund for investment purposes. Taking into account the investment objective and strategy of the Fund, the Directors consider that the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation and are of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement and notification requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein.

“Board”	the board of Directors
“Company”	Sunwah Kingsway Capital Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00188)
“Director(s)”	Directors of the Company
“Fund”	SWK Dynamic OFC, a private open-ended fund company with variable capital and limited liability incorporated in Hong Kong to operate as an investment fund
“Group”	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 People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons of the Company
“Initial Offer Period”	the period determined by the directors of the Fund during which the Participating Shares are first offered for subscription at a fixed price which commenced on or about 9:00 am (Hong Kong time) on 1 September 2022 and will close at 5:00 pm (Hong Kong time) on 30 September 2022 (or an earlier or later date as the directors of the Fund may determine in their sole and absolute discretion)
“Investment Manager”	Kingsway SW Asset Management Limited, a company incorporated under the laws of the British Virgin Islands, a registered non-Hong Kong company and licensed by the Securities and Futures Commission to carry out type 9 (asset management) regulated activity, and a wholly owned subsidiary of the Group
“IPO”	Initial public offering

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Participating Shares”	the Class B non-voting redeemable participating shares of the Fund with rights and obligations attaching thereto
“Shareholder(s)”	Holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Primo Financial Group Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Participating Shares at a total subscription amount of HK\$50 million pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 27 September 2022 entered into between the Subscriber and the Fund in relation to the Subscription
“%”	per cent

By Order of the Board
Sunwah Kingsway Capital Holdings Limited
Vincent Wai Shun Lai
Company Secretary

Hong Kong, 27 September 2022

As at the date of this announcement, the directors of the Company are Jonathan Koon Shum Choi as Chairman, Michael Koon Ming Choi as Chief Executive Officer & Executive Director, Janice Wing Kum Kwan and Lee G. Lam as Non-Executive Directors, Robert Tsai To Sze, Elizabeth Law and Huanfei Guan as Independent Non-Executive Directors.