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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

DISPOSAL OF PARTIAL INTEREST IN AN ASSOCIATE

THE DISPOSAL OF PARTIAL INTEREST IN AN ASSOCIATE

On 15 November 2022, Kingsway Lion Spur Technology Limited, a wholly-owned subsidiary of the Company disposed of 129,640,000 China New Economy Fund Shares, which based on publicly available information represents approximately 10% of the entire issued share capital of China New Economy Fund (an associate of the Company) as at the date of this announcement, through an off-market block trade to the Purchaser at a consideration of HK\$25,928,000 (exclusive of transaction costs), at the price of HK\$0.2 per China New Economy Fund Share.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

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INFORMATION ON THE PURCHASER

The Purchaser is Mr. Yang Kun, an individual investor. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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.

In view of the recent fluctuation of the Hong Kong Stock Market and prevailing market sentiment, the Directors believe that it is beneficial to take this opportunity to realise part of its investment in China New Economy Fund by way of off-market block trade. The Disposal will provide immediate liquidity to improve the Group's cash position thereby allowing it to better structure its asset portfolio. The Group currently intends to use the proceeds from the Disposal as general working capital and cash reserve for pursuing potential investment opportunities in the future.

The consideration for the Disposal was determined after arm's length negotiation considering the thin liquidity in the trading of China New Economy Fund Shares which would make it difficult for a purchaser to buy 129,640,000 shares within a short period of time without affecting the market price. Taking into account the factor above and the opportunity to realize the Company's investment in China New Economy Fund Shares at an attractive return, the Directors are of the view that the Disposal is fair and reasonable, on normal commercial terms and in the best interest of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

The Group's investment in China New Economy Fund is classified as an interest in an associate in the Group's consolidated statement of financial position. As a result of the Disposal, the Company expects to recognize an unaudited gain of approximately HK\$1 million, which is the difference between the aggregate consideration for the Disposal and the carrying amount of the Disposed China New Economy Fund Shares as at 30 June 2022.

After the Disposal, the Company will continue to hold 117,898,595 China New Economy Fund Shares, which based on publicly available information represents approximately 9.09% of the entire issued share capital of China New Economy Fund as at the date of this announcement.

INFORMATION ABOUT CHINA NEW ECONOMY FUND

China New Economy Fund was incorporated in the Cayman Islands as an exempted company with limited liability. China New Economy Fund was established for the purpose of acting as a closed-ended investment company. According to publicly available information, the principal investment objective of China New Economy Fund is to achieve long-term capital appreciation through investing globally in both private and public enterprise that have demonstrated the ability to manufacture a product or deliver a service that is supported by the economies of Mainland China, Hong Kong, Macau and Taiwan. The investment manager of China New Economy Fund is Evergrande Securities (Hong Kong) Limited.

The following financial information is extracted from the public document of China New Economy Fund:

	For the year ended 31 December	
	2020	2021
	HK\$	HK\$
Revenue	3,417,096	2,547,989
Loss before tax	(31,106,691)	(4,980,239)
Loss for the year	(31,106,691)	(4,980,239)
Total equity	71,112,713	113,735,993

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirement under Chapter 14 of 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
“China New Economy Fund”	China New Economy Fund Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00080)
“China New Economy Fund Share(s)”	ordinary shares in the share capital of China New Economy Fund
“Company”	Sunwah Kingsway Capital Holdings Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:00188)
“Director(s)”	Directors of the Company
“Disposal”	Disposal of 129,640,000 China New Economy Fund Shares
“Disposed China New Economy Fund Share(s)”	129,640,000 China New Economy Fund Shares disposed of on 15 November 2022 by Kingsway Lion Spur Technology Limited through an off-market block trade
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China (excluding Hong Kong, Macau Special Administrative Region and Taiwan)

“Purchaser”	Mr. Yang Kun, an individual investor, who to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party
“Shareholder(s)”	Holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 15 November 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.