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CHEERWIN

Cheerwin Group Limited

朝雲集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6601)

DISCLOSEABLE TRANSACTION IN RELATION TO THE SUBSCRIPTION OF BONDS

THE SUBSCRIPTION

The Subscriber, an indirect wholly-owned subsidiary of the Company, has on 25 November 2022 agreed to subscribe for two series of Bonds in the principal amount of US\$17,000,000.00 and US\$20,000,000.00, respectively (equivalent to in aggregate approximately HK\$288,970,000.00 or RMB264,550,000.00) pursuant to the respective placing and subscription agreements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Subscription (on an aggregate basis with the Previous Subscription, which was conducted within 12 months of the Subscription) exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Furthermore, as the amount advanced by the Group to the Issuer under the Subscription exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Subscription is also subject to the general disclosure obligations for advance to an entity under Rules 13.13 to 13.15 of the Listing Rules.

THE SUBSCRIPTION

The Subscriber, an indirect wholly-owned subsidiary of the Company, has on 25 November 2022 agreed to subscribe for two series of Bonds in the principal amount of US\$17,000,000.00 and US\$20,000,000.00, respectively (equivalent to in aggregate approximately HK\$288,970,000.00 or RMB264,550,000.00) pursuant to the respective placing and subscription agreements.

The terms of the Subscription

- Date : 25 November 2022 (after trading hours)
- Parties : (1) Cheerwin Global Limited, as subscriber of the Bonds;
(2) Zhongtai Financial International Limited, as the issuer of the Bonds; and
(3) Zhongtai International Securities Limited, as the placing agent of the Bonds.
- Guarantee/Security : No guarantee or security is provided against the repayment of all sums payable by the Issuer in relation to the Bonds.
- Ranking of the Bonds : The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer save for such exceptions as may be provided by applicable law and subject to the terms and conditions as set out in the respective bond instruments.
- Principal amount, coupon rate and maturity date:
- (a) 1st Series
 - (1) Principal amount: US\$17,000,000.00
 - (2) Coupon rate: 5.7% per annum (payable in arrears in full on maturity date)
 - (3) Maturity date: 24 May 2023, subject to early redemption provisions as set out in the terms and conditions of the respective bond instrument.
 - (b) 2nd Series
 - (1) Principal amount: US\$20,000,000.00
 - (2) Coupon rate: 5.8% per annum (payable in arrears in full on maturity date)
 - (3) Maturity date: 24 November 2023, subject to early redemption provisions as set out in the terms and conditions of the respective bond instrument.

The Subscription shall be funded by internal resources of the Group.

Prior to the Subscription, the Previous Subscription took place on 25 May 2022 whereby the Subscriber entered into a placing and subscription agreement with the Issuer and agreed to subscribe for the Previous Bond with a principal amount of US\$20,000,000.00 at a coupon rate of 3.0% per annum with similar terms as stipulated under the Subscription as abovementioned. The Previous Bond was due on 25 November 2022. As at the date of this announcement, the aggregate outstanding balance of all bonds issued by the Issuer and subscribed by the Subscriber amounts to US\$37,000,000.00 (equivalent to approximately HK\$288,970,000.00 or RMB264,550,000.00).

INFORMATION OF THE ISSUER AND THE PLACING AGENT

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Issuer is a company incorporated in Hong Kong with limited liability and principally engages in the provision of financial services while the Placing Agent is a company incorporated in Hong Kong with limited liability which is licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong). Each of the Issuer and the Placing Agent is a wholly-owned subsidiary of Zhongtai Securities Co., Ltd.* (中泰證券股份有限公司), a joint stock limited company incorporated in the PRC the shares of which are listed on the Shanghai Stock Exchange (stock code: 600918).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Issuer, the Placing Agent and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

INFORMATION OF THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Group principally engages in development and manufacturing of a variety of household care, pet products and personal care products. The Subscriber is a wholly-owned subsidiary of the Company, and principally engages in trading and sales and matters related to the Group's wealth management and investment.

REASONS FOR AND THE BENEFITS OF THE SUBSCRIPTION

The Subscription forms part of the Group's ordinary course of treasury activities in managing its financial assets. As part of the Group's wealth management arrangement with the aim to continuously strive for improving capital efficiency and realising asset appreciation, the Directors consider that the Subscription is conducive in enhancing the Group's utilisation of capital by enabling it to generate additional income from its temporary idle cash resources without affecting the Group's normal operations.

In view of the terms of the Bonds, among others, the respective principal amount, the coupon rate, the maturity date, and the background of the Issuer, the Directors are of the view that the Subscription, which offered a better potential return than the prevailing fixed-term deposit interest rates generally offered by commercial banks in the PRC or HK, was made on normal commercial terms, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Subscription (on an aggregate basis with the Previous Subscription, which was conducted within 12 months of the Subscription) exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Furthermore, as the amount advanced by the Group to the Issuer under the Subscription exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Subscription is also subject to the general disclosure obligations for advance to an entity under Rules 13.13 to 13.15 of the Listing Rules, the details of which are disclosed herein.

GENERAL

The Company will make further announcement(s) on any material development in the above matters where necessary in compliance with the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Bonds”	the interest-bearing instruments of indebtedness issued by the Issuer with particulars set out in the section headed “The terms of the Subscription” in this announcement;
“Company”	Cheerwin Group Limited (朝雲集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6601);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issuer”	Zhongtai Financial International Limited (中泰金融國際有限公司), a company incorporated in Hong Kong with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Placing Agent”	Zhongtai International Securities Limited (中泰國際證券有限公司), a company incorporated in Hong Kong with limited liability;
“PRC”	the People’s Republic of China;

“Previous Bond”	the interest-bearing instruments of indebtedness issued by the Issuer with a principal amount of US\$20,000,000.00 which was due on 25 November 2022;
“Previous Subscription”	the subscription of the Previous Bond by the Subscriber pursuant to the terms of the placing and subscription agreement dated 25 May 2022;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of US\$0.0000002 each;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Cheerwin Global Limited (朝雲環球有限公司), a company incorporated under the laws of Hong Kong and is an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the Bonds by the Subscriber pursuant to the terms of the respective placing and subscription agreements both dated 25 November 2022;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

For illustration purposes only, in this announcement, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.81; and the conversion of US\$ into RMB is based on the exchange rate of US\$1.00 to RMB7.15.

By order of the Board
Cheerwin Group Limited
Chen Danxia

Executive Director, Chairman and Chief Executive Officer

Hong Kong, 25 November 2022

As at the date of this announcement, the Board comprises Ms. Chen Danxia, Mr. Xie Rusong and Mr. Zhong Xuyi as executive Directors; Mr. Chen Zexing as non-executive Director and Dr. YU Rong, Mr. Guo Sheng and Mr. Chan Wan Tsun Adrian Alan as independent non-executive Directors.

* *For identification purposes only.*