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## **CWT INTERNATIONAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 521)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF 32.88% SHARES OF THE TARGET COMPANY AND CONTINUED SUSPENSION OF TRADING**

#### **THE SALE AND PURCHASE AGREEMENT**

On 1 November 2023 (after trading hours), CWT Globelink and the Seller entered into a Sale and Purchase Agreement, pursuant to which CWT Globelink agreed to acquire, and the Seller agreed to sell, 2,137 shares of the Target Company (representing approximately 32.88% of the total issued shares of the Target Company) at a total consideration of GBP3,854,130 (equivalent to approximately HK\$36,614,235).

The consideration was determined with reference to the terms of the Shareholders' Agreement dated 2 February 2012 entered into between the then shareholders of the Target Company (including CWT Globelink and the Seller), pursuant to which CWT Globelink granted the Put Option to the Seller and agreed the basis of calculation for the purchase price of the option shares (which are referring to the Target Shares). Entering into the Sale and Purchase Agreement and the Acquisition were the results of the exercise of the Put Option by the Seller pursuant to the terms of the Shareholders' Agreement.

Upon the Completion, the Target Company will be wholly-owned by CWT Globelink and it will continue to be a subsidiary of CWT Globelink and the Group.

## **LISTING RULES IMPLICATION**

As the Seller is a substantial shareholder of the Target Company, which is an insignificant subsidiary of the Company, notwithstanding her interest in the Target Company, the Seller is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules. Entering into the Sale and Purchase Agreement and the Acquisition therefore do not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but all the applicable percentage ratios are below 25%, entering into the Sale and Purchase Agreement and the Acquisition constitute a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements, but exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **THE SALE AND PURCHASE AGREEMENT**

On 1 November 2023 (after trading hours), CWT Globelink and the Seller entered into a Sale and Purchase Agreement, pursuant to which CWT Globelink agreed to acquire, and the Seller agreed to sell, 2,137 shares of the Target Company (representing approximately 32.88% of the total issued shares of the Target Company) at a total consideration of GBP3,854,130 (equivalent to approximately HK\$36,614,235).

The principal terms of the Sale and Purchase Agreement are summarised as follows:

- Date:** 1 November 2023
- Parties:**
1. CWT Globelink;
  2. the Target Company; and
  3. the Seller

**Subject matter:** CWT Globelink agreed to acquire, and the Seller agreed to sell, the Target Shares (representing approximately 32.88% shares of the Target Company) at a total consideration of GBP3,854,130 (equivalent to approximately HK\$36,614,235).

**Consideration and basis:** Entering into the Sale and Purchase Agreement and the Acquisition were the results of the exercise of the Put Option by the Seller, which was an option granted by CWT Globelink to the Seller pursuant to the terms of the Shareholders' Agreement.

The total consideration of GBP3,854,130 is comprised of:

- (i) GBP3,754,130 (equivalent to approximately HK\$35,664,235), representing the purchase price (the "**Purchase Price**") of the Target Shares under the Put Option pursuant to the terms of the Shareholders' Agreement. The Purchase Price is agreed between shareholders of the Target Company (including CWT Globelink and the Seller) at the time of entering into the Shareholders' Agreement, which was determined with reference to factors, including but not limited to the average value of the audited profit after tax of the Target Company of the preceding three financial years; and
- (ii) GBP100,000 (equivalent to approximately HK\$950,000), representing the Seller's share of the surplus cash (the "**Surplus Amount**") of the Target Company at the time of entering into the Shareholders' Agreement. As agreed by the Seller and CWT Globelink at the time of entering into the Shareholders' Agreement, the Surplus Amount shall be retained in the Target Company as additional reserve to boost the Target Company's financial standing and shall be distributed to Seller as part of the consideration payable by the Target Company when the Seller exercises the Put Option.

The total consideration will be settled by way of electronic fund transfer into the Seller's designated account on the date of Completion and the source of fund is as follows:

1. the Purchase Price will be paid by internal resources of CWT Globelink; and
2. the remaining GBP100,000 will be paid by internal resources of the Target Company.

**Completion:**

Completion shall take place on a Business Day notified in writing by CWT Globelink to the other parties provided that such date is within five Business Days following the signing of the Sale and Purchase Agreement or any such date as the parties shall agree at such a venue as the parties shall agree.

Upon the Completion, the Target Company will be wholly-owned by CWT Globelink and it will continue to be a subsidiary of CWT Globelink and the Group.

**REASONS AND BENEFIT OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT AND THE ACQUISITION**

The Acquisition was a result of the exercise of the Put Option by the Seller pursuant to the Shareholders' Agreement. The Target Company is principally engaged in freight forwarding businesses, which is in line with the Group's principal activities. Furthermore, the Target Company has a stable operating performance. Therefore, the Acquisition will further enhance the performance and business scale of the Group.

Considering the financial performance of the Target Company, the Directors are of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms of the Sale and Purchase Agreement were fair and reasonable and on normal commercial terms.

## **INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT AND ITS HOLDING COMPANIES**

### **The Company and CWT Globelink**

The Company is principally engaged in integrated logistics services and related engineering services, as well as the affiliated business of commodity marketing and financial services. CWT Globelink is an indirect wholly-own subsidiary of the Company incorporated in Singapore with limited liability and is principally engaged in freight forwarding and container freight station activities.

### **The Seller**

The Seller is the co-managing director and a member of the board of the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller is a third party independent of the Company and connected persons of the Company.

### **The Target Company**

The Target Company is an indirect non-wholly owned subsidiary of the Company incorporated in the UK. It is principally engaged in freight forwarding activities.

### **Financial information of the Target Company**

Set out below is a summary of the consolidated financial information of the Target Company for the two years ended 31 December 2021 and 2022 prepared in accordance with the UK Generally Accepted Accounting Practice:

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2022</b>
	<i>GBP</i>	<i>GBP</i>
Net profit before tax	2,737,878	3,143,384
Net profit after tax	2,215,250	2,542,545

## **LISTING RULES IMPLICATION**

As the Seller is a substantial shareholder of the Target Company, which is an insignificant subsidiary of the Company, notwithstanding her interest in the Target Company, the Seller is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules. Entering into the Sale and Purchase Agreement and the Acquisition therefore do not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but all the applicable percentage ratios are below 25%, entering into the Sale and Purchase Agreement and the Acquisition constitute a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements, but exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **CONTINUED SUSPENSION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 3 April 2023 and will continue to be suspended until further notice.

The Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

## **DEFINITIONS**

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

“Acquisition”	acquisition of 2,137 shares of the Target Company (representing approximately 32.88% of the total issued shares of the Target Company) from the Seller by CWT Globelink pursuant to the terms of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	a day(s), other than a Saturday, Sunday, on which the clearing banks are open for business in the city of London and in Singapore
“Company”	CWT International Limited, a company incorporated in Hong Kong with limited liability

“Completion”	completion of the Acquisition
“CWT Globelink”	CWT Globelink Pte. Ltd., a limited liability company incorporated in Singapore and it is an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“GBP”	Pounds Sterling, the lawful currency of the UK
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party”	third party(ies) independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“insignificant subsidiary”	has the same meaning ascribed to it under Rule 14A.09 of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Put Option”	the option to sell the Target Shares by the Seller to CWT Globelink pursuant to the terms of the Shareholders’ Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement entered into among the CWT Globelink, the Target Company and the Seller in respect of the sale and purchase of the Target Shares
“Seller”	Ms. Elaine Lisa James, an independent third party
“Shareholder(s)”	holder(s) of the shares of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 2 February 2012 entered into among CWT Globelink, the Seller and an independent third party (the then shareholders of the Target Company)

“Shares”	the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Target Company”	Globelink Fallow Limited, a limited liability incorporated in the UK and an indirect non-wholly owned subsidiary of the Company before the Completion
“Target Shares”	2,137 shares of the Target Company to be sold by the Seller to CWT Globelink pursuant to the Sale and Purchase Agreement
“UK”	the United Kingdom of Great Britain and Northern Ireland
“%”	per cent

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

Hong Kong, 1 November 2023

*For the purposes of this announcement, unless otherwise specified, conversion of GBP into HK\$ in this announcement is based on the exchange rate of GBP1.0 to HK\$9.50.*

*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), Mr. Xu Xu (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).*