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**智富資源投資控股集團有限公司**

**WISDOM WEALTH RESOURCES INVESTMENT HOLDING GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 7)**

**VERY SUBSTANTIAL DISPOSAL  
IN RESPECT OF  
THE DISPOSAL OF THE ENTIRE ISSUED  
SHARE CAPITAL OF  
MILLHAVEN HOLDINGS LIMITED**

**THE DISPOSAL**

On 23 May 2024, the Vendor, a wholly-owned subsidiary of the Company, the Purchaser, an independent third party, and the Company entered into the Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Disposal Company, for a consideration of HK\$180.0 million, or equivalent amount in RMB, which will be satisfied wholly in cash.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **TAKEOVERS CODE IMPLICATIONS**

The Company is currently the subject of the Offer (please refer to the announcement dated 2 May 2024 published by the offeror for further details of the Offer). Under Rule 4 of the Takeovers Code, once a bona fide offer has been communicated to the board of an offeree company or the board of an offeree company has reason to believe that a bona fide offer may be imminent, no action which could effectively result in an offer being frustrated, or in the shareholders of the offeree company being denied an opportunity to decide on the merits of an offer, shall be taken by the board of the offeree company in relation to the affairs of the company without the approval of the shareholders in general meeting. The Disposal constitutes a disposal of assets of a material amount and is therefore a frustrating action of the Company under Rule 4 of the Takeovers Code. The Disposal is therefore subject to the shareholders' approval requirements under Rule 4 of the Takeovers Code.

## **GENERAL**

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, no Shareholders have a material interest in the Disposal and accordingly, no Shareholders are required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the SGM.

A circular containing, among other things, further details of the Disposal, the notice of the SGM and other information is expected to be despatched to the Shareholders on or before 30 June 2024.

## **THE DISPOSAL**

On 23 May 2024, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with, among others, the Purchaser to dispose of the Sale Shares. Details of the Disposal are set out as follows:

## **THE AGREEMENT**

### **Date**

23 May 2024

### **Parties to the Agreement**

**Vendor:** Hong Kong Finance Property Group Limited (香港金控地產集團有限公司), an investment holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement.

**Purchaser:** Sincere Alliance Group Limited (誠盟集團有限公司), an investment holding company incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and Liu Jingwen, the ultimate beneficial owner of the Purchaser, are third parties independent of the Company and connected persons of the Company. As at the date of this announcement, the Purchaser and its ultimate beneficial owner do not hold any Share.

**Issuer:** the Company.

### **Assets to be disposed of**

The assets to be disposed of under the Agreement are the Sale Shares, being 1,000 ordinary shares of US\$1 each in the issued share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company.

### **Consideration**

The Consideration is HK\$180.0 million, or an equivalent amount in RMB, which shall be payable to an escrow account in a law firm mutually agreed upon and designated by the contracting parties within one month after obtaining the necessary approvals of the Disposal by the Shareholders, the Stock Exchange and the relevant creditors, if applicable. The Consideration shall be transferred from the escrow account to the bank accounts of Shiny Solar Limited and the Company upon completion of the Disposal.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, having taken into consideration (i) the adjusted consolidated net asset value of the Disposal Group as at 31 December 2023 of approximately HK\$258 million (calculated based on the unaudited consolidated net asset value of the Disposal Group as at 31 December 2023 and adjusted by the market value of the Property as at 15 May 2024 appraised using market approach by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuation company, and the net amount due from the Group to the Disposal Group of approximately HK\$9 million to be written off before completion of the Disposal); (ii) the prolonged downturn of the PRC's property market, as evidenced by an ongoing decline in both investment in and sales of property since early 2022; (iii) no offers with better terms for the Disposal, as compared with the terms of the Agreement, have been received by the Company; (iv) a non-refundable deposit of HK\$8.0 million was received, and not refunded by the Vendor, from the Purchaser upon termination of the Previous Disposal in February 2023; and (v) the Company has an immediate funding need for repayment of loans.

The Consideration represents a discount of approximately 30.2% to the adjusted consolidated net asset value of the Disposal Group as at 31 December 2023. In light of the sluggish market conditions of the PRC's property market, the Directors consider that it is in the interest of the Company to realize the Property even at a discount so that the Group can get an immediate cashflow to repay its outstanding loans and resolve the Group's financial problem. The Directors are of the view that the Consideration is fair and reasonable having considered the prevailing market sentiment of the property market in the PRC.

### **Conditions precedent**

Completion of the Disposal is conditional upon, inter alia,:

- (i) the respective board of directors of the contracting parties having approved the Agreement and transactions contemplated thereunder;
- (ii) the Shareholders having approved the Agreement and transactions contemplated thereunder by an ordinary resolution in compliance with the relevant Listing Rules and Takeovers Code;
- (iii) the court of justice in Hong Kong having approved the Agreement and transactions contemplated thereunder (if necessary);

- (iv) Shinny Solar Limited and other relevant creditors of the Group (if applicable) having granted all the necessary approvals, consents and authorizations in relation to the transactions contemplated under the Agreement;
- (v) the pledge of the equity interest in the Disposal Company to Shinny Solar Limited having been released; and
- (vi) there being no substantial changes in the board of directors of the Vendor and the Company.

Condition (ii) is not waivable. Condition (iii) is required as Shinny Solar Limited filed a winding-up petition against the Company on 11 September 2023 and the winding-up of the Company by the court shall be deemed to commence at the time of the filing of the petition for winding up. After the commencement of winding-up, any disposition of the property of the Company, unless the court orders otherwise, is void. Conditions (iv) and (v) are required as the Sale Shares have been pledged to Shinny Solar Limited. Condition (vi) was requested by the Purchaser with the aim to ensure continuity and stability in the management and decision-making processes of the Company and the Vendor so that the Disposal can be executed smoothly with the collaboration, expertise and networks of the existing board members of the Company and the Vendor. The condition may also serve as a safeguard against the possibility of the Vendor undergoing significant changes that could adversely affect the assets being disposed of.

Completion of the Disposal shall take place on the date on which all the conditions precedent of the Disposal having been satisfied or waived. As at the date of this announcement, condition (i) has been fulfilled. If the conditions shall not have been fulfilled or waived within six months from the date of the Agreement (i.e. 22 November 2024) (or such later date as the parties to the Agreement may agree in writing), the Agreement shall be terminated and of no effect.

## Others

The contracting parties agreed that all outstanding balances of the current accounts between the Disposal Group and the Group would be written off before the completion of the Disposal. As at 31 December 2023, the total amount due from the Group to the Disposal Group amounted to approximately HK\$9 million.

## INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is an investment holding company incorporated in the BVI with limited liability in 2016. The Disposal Company is wholly-owned by the Vendor as at the date of this announcement.

The corporate structure of the Disposal Group as at the date of this announcement is set out as follows:



The Disposal Company holds the entire issued share capital of Gold Shiner Holdings Limited (金耀集團有限公司), an investment holding company incorporated in Hong Kong with limited liability in 2015, which in turn holds 100% equity interest in 廣東德凱偉業有限公司 (Guangdong Dekai Weiye Company Limited\*), an investment holding company established under the laws of the PRC in 2016. It holds 100% equity interest in 北京盈和房地產綜合開發有限公司 (Beijing Yinghe Real Estate Comprehensive Development Company Limited\*) (“**Beijing Yinghe**”), a company established under the laws of the PRC in 1997 and holds the Property.

The Property comprises two commercial units on the first and second floor, 384 parking spaces and warehouses in Block 2, with a total gross floor area of approximately 16,360 square meters, of Rong Ning Yuan Community (榮寧園小區) at No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC.

The unaudited consolidated financial information of the Disposal Group, which has been prepared in accordance with accounting principles generally accepted in Hong Kong, is summarized as follows:

	<b>For the year</b>	
	<b>ended 31 December</b>	
	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit/(loss) before taxation	29,412	(110,055)
Net profit/(loss) after taxation	<u>15,299</u>	<u>(82,523)</u>

The Disposal Group recorded a net loss before and after taxation for the year ended 31 December 2023, which was mainly attributable to the recognition of loss in fair value change on the Property. As at 31 December 2023, the Disposal Group had an unaudited consolidated net asset value of approximately HK\$267 million.

**The above financial information of the Disposal Group is unaudited and therefore constitutes a profit forecast under Rule 10 of the Takeovers Code. According to Practice Note 2 – Issues relating to profit forecasts under Rule 10 of the Takeovers Code, document to shareholders includes information that constitutes a profit forecast under Rule 10, the party issuing the forecast must obtain and publish an accountant’s report and financial adviser’s report on the forecast in accordance with Rule 10.4 of the Takeovers Code, which further provides that when a forecast is made in an announcement, that announcement must contain a statement that the forecast has been reported on in accordance with the Takeovers Code and the reports have been lodged with the Executive. Given that the Company has encountered genuine practical difficulties in meeting the reporting requirements set out in Rule 10.4, the Executive relaxed the strict application of Rule 10.4 of the Takeovers Code on such information in order to facilitate timely disclosure of the relevant information.**

**Shareholders and potential investors should note that the aforementioned financial information does not meet the standard required by Rule 10 of the Takeovers Code and they should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Disposal and the Offer. Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, if the profit forecast is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors or accountants on the forecast, in the next document to be sent to the Shareholders. The unaudited financial information of the Disposal Group will be reported on as soon as reasonably practicable and the relevant reports will be contained in the offeree response document relating to the Offer.**

## **BACKGROUND AND REASONS FOR THE DISPOSAL**

The Company is an investment holding company and the principal activities of the Group include trading of electronic products and natural resources, petrochemical production, oil and gas exploration and production, mineral mining, provision of financial services and property development and investment.

As disclosed in the Company’s announcement dated 11 November 2021, the Vendor, the Purchaser and the Company entered into a sale and purchase agreement on 5 November 2021, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Disposal Company, for a consideration of HK\$338.0 million. However, due to the prolonged delay and absence of consensus between the Vendor and the Purchaser on the completion date of the due diligence on the Disposal Group and the changes in market conditions of the property market in the PRC since the date of the agreement, the proposed transaction was subsequently terminated in February 2023.



Since the termination of the Previous Disposal, the Company's financial problems have worsened and the Company has an imminent funding need for repayment of the outstanding loans. Given that (i) the rental income generated from the Property only accounted for less than 1% of the Group's revenue for each of the years ended 31 December 2022 and 2023; (ii) the Disposal Group had recorded a loss in the past year and its revenue contribution to the Group was unstable; and (iii) the Group is facing a risk of liquidation if the outstanding loans cannot be settled timely, the Board considers that the Disposal can prevent the Group from incurring further loss from the Property and provide an immediate cashflow to the Group for repayment of borrowings.

Upon completion of the Disposal, the remaining properties held by the Group are the land use rights of five land parcels located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhanjiang City, Guangdong Province, the PRC with total site area and total planned gross floor area of approximately 266,000 square meters and 1.3 million square meters respectively. The lands include non-commercial portion held for sale and commercial portion and car-parking spaces held for investment purpose. As at the date of this announcement, the Company has no current intentions to downsize or terminate its property development and investment business.

In view of the above, the Directors are of the opinion that the Agreement is on normal commercial terms and the terms of which are fair and reasonable, and the entering into of the Agreement is in the interests of the Company and Shareholders as a whole.

## **USE OF PROCEEDS**

The net proceeds of the Disposal (after payment of professional fees and other related expenses) are estimated to be approximately HK\$177 million. The Company intends to apply the proceeds wholly for repayment of part of the overdue principal amount owed to Shiny Solar Limited. Shiny Solar Limited and its ultimate beneficial owners do not hold any Share as at the date of this announcement.

As disclosed in the announcement of the Company dated 20 September 2023, the due diligence work of the Purchaser in respect of the Previous Disposal was not completed due to the Stop Notice filed with the court of the BVI by Shinny Solar Limited and the non-cooperation of Ms. Liu Juan, a director of Beijing Yinghe, who was nominated by Shinny Solar Limited. The Vendor will send a notification to Shinny Solar Limited through its legal advisers/representatives in accordance with the requirements of the Stop Notice for the proposed registration or steps to be taken in respect of the transfer of the Sales Shares. Meanwhile, the Company is in discussion with Shinny Solar Limited to arrange the resignation of Ms. Liu Juan as a director of Beijing Yinghe and the appointment of a new director to the board of Beijing Yinghe. Considering that the non-cooperation of Shinny Solar Limited has led to the termination of the Previous Disposal to a certain extent, and the Company has lost the opportunity to sell the subject of the Disposal at a higher price as a result of the termination of the Previous Disposal, the Company will negotiate and request Shinny Solar Limited to grant a waiver for the penalty interest and a six-month grace period for repayment of the outstanding loan balance.

To further resolve the Company's financial crisis, the Company is actively discussing the feasibility of borrowing HK\$150 million from a connected person to pay off the remaining overdue balance of the principal and accrued interest owed to Shinny Solar Limited and the overdue loans and interest due to other creditors. As at the date of this announcement, no concrete terms of borrowing have been arrived yet and announcement(s) will be made by the Company as and when appropriate.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon completion of the Agreement, the Group shall not have any equity interest in the Disposal Company and the Disposal Company shall cease to be a subsidiary of the Company since then.

It is estimated that a loss on disposal of approximately HK\$78 million will be recorded by the Group, which is calculated based on the difference between the consideration for the Disposal of HK\$180 million and the adjusted unaudited consolidated net asset value of the Disposal Company as at 31 December 2023 of approximately HK\$258 million. The actual gain or loss as a result of the Disposal to be recorded by the Group may change depending on the consolidated net book value of the Disposal Company as at the date of completion of the Agreement and is subject to any accounting adjustment and audit by the auditors of the Company.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **TAKEOVERS CODE IMPLICATIONS**

The Company is currently the subject of the Offer (please refer to the announcement dated 2 May 2024 published by the offeror for further details of the Offer). Under Rule 4 of the Takeovers Code, once a bona fide offer has been communicated to the board of an offeree company or the board of an offeree company has reason to believe that a bona fide offer may be imminent, no action which could effectively result in an offer being frustrated, or in the shareholders of the offeree company being denied an opportunity to decide on the merits of an offer, shall be taken by the board of the offeree company in relation to the affairs of the company without the approval of the shareholders in general meeting. The Disposal constitutes a disposal of assets of a material amount and is therefore a frustrating action of the Company under Rule 4 of the Takeovers Code. The Disposal is therefore subject to the shareholders' approval requirements under Rule 4 of the Takeovers Code.

## **SGM**

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, no Shareholders have a material interest in the Disposal and accordingly, no Shareholders are required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the SGM.

A circular containing, among other things, further details of the Disposal and other disclosures required pursuant to the Listing Rules will be despatched to the Shareholders on or before 30 June 2024. The expected date of dispatch of the circular is more than 15 business days after the publication of the announcement as additional time is required for the preparation of the accountant's report on the Disposal Group and the proforma financial information of the Group.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 2 April 2024 pending the publication of the announcement in relation to the annual results of the Company for the year ended 31 December 2023 and will remain suspended until further notice.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Agreement”	the sale and purchase agreement dated 23 May 2024 (as supplemented by the supplemental agreement dated 30 May 2024 which stipulated that HK\$177 million of the gross proceeds from the Disposal should be applied for repayment of part of the overdue principal amount owed to Shiny Solar Limited while the remaining balance of HK\$3 million should be used for payment of professional fees and other expenses related to the Disposal) entered into among the Vendor, the Purchaser and the Company in relation to the Disposal
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Wisdom Wealth Resources Investment Holding Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares, representing the entire issued share capital of the Disposal Company, by the Vendor to the Purchaser in accordance with the terms and conditions of the Agreement
“Disposal Company”	Millhaven Holdings Limited, a company incorporated in the BVI with limited liability
“Disposal Group”	the Disposal Company and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the voluntary conditional cash partial offer by Rainbow Capital (HK) Limited for and on behalf of Mr. Wang Yongkui to acquire 158,000,000 Shares in the Company (other than those already owned by Mr. Wang Yongkui and parties acting in concert with him)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser in accordance with the terms and conditions of the sale and purchase agreement dated 5 November 2021

“Property”	the two commercial units on the first and second floor, 384 parking spaces and warehouses in Block 2, with a total gross floor area of approximately 16,360 square meters, of Rong Ning Yuan Community (榮寧園小區) at No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC owned by the Disposal Group
“Purchaser”	Sincere Alliance Group Limited (誠盟集團有限公司), a company incorporated in the BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	1,000 ordinary shares of US\$1 each in the issued share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.2 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollar, the lawful currency of United States of America

“Vendor”	Hong Kong Finance Property Group Limited (香港金控地產集團有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board  
**Wisdom Wealth Resources Investment Holding Group Limited**  
**Xu Jun Jia**  
*Chairman*

Hong Kong, 31 May 2024

*As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the senior consultants of the Company comprise Dr. Wang Tao, Mr. Fu Chenyu and Mr. Lalaharisaina Joelivalerien; the Board comprises three executive Directors, namely, Mr. Xu Jun Jia, Mr. Neil Bush and Mr. Cao Yu; and four independent non-executive Directors, namely, Mr. Ngan Kam Biu, Stanford, Mr. Tam Chak Chi, Mr. Ma Kin Ling and Mr. Yiu King Ming.*

*All the Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* for identification purposes only