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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

FURTHER ACQUISITION OF LISTED SECURITIES

ACQUISITION OF LISTED SECURITIES

On 15 February 2022, the Company, through its wholly-owned subsidiary, acquired a total of 82,512,865 China New Economy Fund Shares pursuant to a Rights Issue (representing approximately 6.4% of the total issued China New Economy Fund Shares as at the date of this announcement) at the subscription price of HK\$0.18 per rights share for an aggregate consideration of approximately HK\$14,852,000. (exclusive of transaction costs)

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition on a standalone basis constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and accordingly the Acquisition is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 15 February 2022, the Company, through its wholly-owned subsidiary, acquired a total of 82,512,865 China New Economy Fund Rights Shares pursuant to a Rights Issue (representing approximately 6.4% of the total issued China New Economy Fund Shares as at the date of this announcement) at the subscription price of HK\$0.18 per rights share for an aggregate consideration of approximately HK\$14,852,315.70 (exclusive of transaction costs)

THE PREVIOUS ACQUISITIONS

Reference is made to the announcement of the Company dated 12 November 2021 in relation to the acquisition of a total of 95,310,730 China New Economy Fund Shares (representing approximately 11% of the total issued China New Economy Fund as at 12 November 2021) at a total consideration of approximately HK\$16,157,000 (exclusive of transaction costs) through (1) the placing of the new shares under the general mandate of China New Economy Fund on 1 November 2021; and (2) a series of on-market acquisitions on the Stock Exchange on 12 November 2021.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

China New Economy Fund is a closed-ended investment company which aim to achieve long-term capital appreciation through investing globally in both private and publicly listed enterprises who conduct business that are supported economically in mainland China, Hong Kong, Macau and Taiwan. As the China New Economy Fund has the opportunity to invest in a wide range of projects which in the long run can transform itself into a cross-border integrated financial services and investment holding platform to contribute to the implementation of national strategies such as the development of the Guangdong-Hong Kong-Macau Greater Bay Area and the "One-Belt, One-Road" initiative, the Group considers the further acquisition of its shares would be a long term strategic investment that will enable the Group to cooperate with China New Economy Fund in private equity investments and portfolio investment and generate continuing and stable attractive investment. In light of the Company's strategic investment, Mr. Choi Koon Ming, the CEO and Director of the Company was appointed a non-executive director of China New Economy Fund.

As the Acquisition was acquired at the proposed subscription price as per the announcement dated 7 January 2022 of China New Economy Fund in respect of the Rights Issue, the Directors are of the view that the Acquisition was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT CHINA NEW ECONOMY FUND

China New Economy Fund Limited 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 Limited 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	
	2019	2020
	HK\$	HK\$
Revenues	5,447,693	3,417,096
Loss before tax	(34,070,940)	(31,106,691)
Loss for the year	(34,070,940)	(31,106,691)
Total equity	61,441,400	71,112,713

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition, on a standalone basis, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and accordingly the Acquisition is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Previous Acquisitions and the Acquisition took place within a 12-month period, therefore the Previous Acquisitions and the Acquisition shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceeds 5% but is less than 25% on an aggregated basis, the Acquisition when aggregated with the Previous Acquisitions still constitute a discloseable transaction of the Company and accordingly are only subject to the reporting and announcement requirements 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.

“Acquisition”	the acquisition of 82,512,865 China New Economy Fund Rights Shares pursuant to a Rights Issue by the Company, through its wholly owned subsidiary at the subscription price of HK\$0.18 per rights share for an aggregate consideration of approximately HK\$14,852,000 (exclusive of transaction costs)
“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 company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:00188)
“Director(s)”	Directors of the Company
“Previous Acquisitions”	The acquisition of a total of 95,310,730 China New Economy Fund Shares (representing approximately 11% of the total issued China New Economy Fund as at 12 November 2021) at a total consideration of approximately HK\$16,157,000 (exclusive of transaction costs) through (1) the placing of the new shares under the general mandate of China New Economy Fund on 1 November 2021; and (2) a series of on-market acquisitions on the Stock Exchange on 12 November 2021 as set out in the Company’s announcement dated 12 November 2021
“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 PRC

“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)
“Rights Issue”	The proposed rights issue of China New Economy Fund Limited as set out in its announcement dated 7 January 2022
“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 February 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.