

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HONG KONG CHAOSHANG GROUP LIMITED

香港潮商集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

DISCLOSEABLE TRANSACTION FURTHER DISPOSAL OF LISTED SECURITIES

THE PREVIOUS DISPOSAL

Reference is made to the announcement of the Company dated 1 February 2024 (the "**Announcement**") relating to the Previous Disposal (as defined below). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company disposed on-market a total of 40,000,000 Target Shares during the period from 31 January 2024 to 1 February 2024, at an average price of approximately HK\$0.28 per Target Share for an aggregate gross sale proceeds of approximately HK\$11.2 million (excluding transaction costs) (the "**Previous Disposal**").

The Previous Disposal constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Further details of the Previous Disposal are disclosed in the Announcement.

THE FURTHER DISPOSAL

The Company further disposed on-market a total of 15,465,920 Target Shares on 2 February 2024, at an average price of approximately HK\$0.28 per Target Share for an aggregate gross sale proceeds of approximately HK\$4.3 million (excluding transaction costs) (the "**Further Disposal**"). After the Further Disposal and as at the date of this announcement, the Company holds no Target Shares.

Assets disposed of

The Company further disposed of a total of 15,465,920 Target Shares, representing approximately 8.22% of the issued share capital of the Target Company (based on 188,136,000 shares in issue as at the date of this announcement according to publicly available information).

Consideration

The aggregate gross sale proceeds of the Further Disposal was approximately HK\$4.3 million (excluding transaction costs), which is receivable in cash on settlement. The price for the Further Disposal represented the market price of the Target Shares at the time of the Further Disposal.

FINANCIAL EFFECTS OF THE FURTHER DISPOSAL AND USE OF PROCEEDS

It is expected that the Company will record an unaudited loss on the Further Disposal of approximately HK\$2.0 million. Such loss is estimated based on the difference between (a) the aggregate gross sale proceeds of the Further Disposal (excluding transaction costs) of approximately HK\$4.3 million; and (b) the aggregate of the Company's share of the unaudited net assets of the Target Group as at 30 September 2023 and as adjusted by the completion of rights issue of the Target Company in December 2023 in relation to the Target Shares subject to the Further Disposal of approximately HK\$6.3 million. The actual loss as a result of the Further Disposal to be recorded by the Company may be different from the above pro forma calculation and is limited to the availability of the financial information of the Target Company up to the date of the Further Disposal.

Net proceeds from the Further Disposal, net of expenses in relation to the Further Disposal, are estimated to be approximately HK\$4.3 million. The Company intends to use the net proceeds from the Further Disposal as the Group's working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and the Group is principally engaged in trading, money lending, factoring, finance leasing and financial services businesses.

The Group considers that the Further Disposal represents an opportunity to allow the Group to enhance its liquidity, and to reallocate the resources and investment portfolio. For further details, please refer to the reasons for and benefits of the Company's divestment in the Target Company set out in the Announcement.

The Further Disposal was made at prevailing market price and the Directors are of the view that the Further Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

As the Further Disposal was made in the open market, the Company is not aware of the identities of the purchasers of the Target Shares in respect of the Further Disposal. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the purchasers of the Target Shares in respect of the Further Disposal and their ultimate beneficial owners are Independent Third Parties.

For details of the Company and the Target Company, please refer to the information set out in the Announcement.

LISTING RULES IMPLICATIONS

As the Further Disposal took place within a 12-month period from the date of the Previous Disposal, the Further Disposal is required to be aggregated with the Previous Disposal in accordance with Rule 14.22 of the Listing Rules for transaction classification set out in Rule 14.06 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Further Disposal and the Previous Disposal is more than 5% and all of the applicable percentage ratios are below 25%, the Further Disposal and the Previous Disposal constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification and announcement requirements but exempt from shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

By Order of the Board
Hong Kong ChaoShang Group Limited
Ms. Zheng Juhua
Chairlady

Hong Kong, 2 February 2024

As at the date of this announcement, the executive Directors are Ms. Zheng Juhua and Mr. Chan Chi Yuen; the independent non-executive Directors are Mr. Yu Pak Yan, Peter, Mr. Chi Chi Hung, Kenneth and Mr. Yeung Yat Chuen.