長城環亞控股有限公司*
GREAT WALL PAN ASIA HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 583)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

On 5 July 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Equity Transfer Agreement, pursuant to which, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Equity Interest, representing the entire equity interest in the Target Company, for a consideration of RMB17,412,000. The Equity Interest was offered for sale through the public listing process on the Shenzhen United Assets and Equity Exchange（深圳聯合產權交易所）and the Purchaser, as the sole bidder, succeeded in the open bid in relation to the Disposal.

After completion of the Disposal, the Company will cease to hold any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company and its results will cease to be consolidated in the results of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal is 5% or more and all of such ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The principal terms of the Equity Transfer Agreement are set out below:

Subject matter

The Equity Interest represents the entire equity interest in the Target Company. As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

Consideration and the basis of the consideration

Pursuant to the Equity Transfer Agreement, the total consideration for the disposal of the Equity Interest is RMB17,412,000. The consideration was reached through the public listing process at the Shenzhen United Assets and Equity Exchange and with reference to (i) the appraised value of the Target Company of RMB17,412,000 as per the Valuation Report; and (ii) the factors contained in "Reasons for and benefits of the Disposal" in this announcement. The public listing process was conducted in accordance with the relevant laws and regulations of the PRC.

Payment of consideration

The Purchaser has paid a security deposit of RMB3,500,000 to the Shenzhen United Assets and Equity Exchange which would be automatically converted into part of the consideration for the Disposal. Pursuant to the Equity Transfer Agreement, the remaining balance of the consideration in the amount of RMB13,912,000 will be payable to the Shenzhen United Assets and Equity Exchange within five business days after the date of the Equity Transfer Agreement.

If the parties choose to settle the consideration other than through the Shenzhen United Assets and Equity Exchange, the Purchaser shall pay the total consideration within five business days after the date of the Equity Transfer Agreement. Subject to the fulfilment of the conditions precedent to the Equity Transfer Agreement, the Vendor shall apply to Shenzhen United Assets and Equity Exchange for the return of the security deposit of RMB3,500,000 to the Purchaser.

Conditions Precedent

Completion of the Disposal shall be conditional upon the following conditions precedent:

(1) the Disposal having been approved by Shenzhen Local Financial Supervision and Administration Bureau (Financial Work Office of Shenzhen Municipal People's Government)(深圳市地方金融監督管理局(深圳市人民政府金融工作辦公室));

(2) the registration of the transfer of the Equity Interest, the change of name of the Target Company, the changes of legal representatives, directors, supervisors and officers, and the issuance of the new business license of the Target Company having been approved by the Shenzhen Municipal Administration for Market Regulation(深圳市市場監督管理局); and

(3) the Purchaser having assisted and procured the Target Company to complete the registration of the change of basic information of foreign-invested enterprises in relation to the Disposal and the change of company name at the relevant banks and obtain the foreign exchange business registration certificate issued by the banks in relation to the remittance of funds derived from the domestic transfer of equity interests by foreign investors.

Completion

Subject to the fulfilment of the conditions precedent to the Equity Transfer Agreement, the Vendor shall issue a written payment instruction to Shenzhen United Assets and Equity Exchange and Shenzhen United Assets and Equity Exchange will then transfer all of the consideration monies to the Vendor within three business days from the date of the issuance of the written payment instruction. Completion of the Disposal shall take place within 90 business days from the date of the Equity Transfer Agreement or such other date agreed by the Vendor.

INFORMATION ON THE PARTIES

The Vendor

The Vendor is a company incorporated under the laws of Hong Kong with limited liability, and is a licensed corporation in Hong Kong to carry out Type 1 (dealing in securities) (restricted by certain conditions), Type 4 (advising in securities) and Type 9 (asset management) regulated activities under the SFO and is principally engaged in asset management services. It is indirectly wholly-owned by the Company.

The Purchaser

The Purchaser is a company incorporated under the laws of Hong Kong with limited liability, and is a licensed corporation in Hong Kong to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. The Purchaser is directly wholly owned by Gransing Financial Group Limited, a limited liability company incorporated under the laws of the British Virgin Islands ("**Gransing Financial**"). Gransing Financial is owned as to (i) 56.5% by Mr. Kwok Shun Tim; (ii) 18.1% by China New Economy Fund Limited, 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: 80); (iii) 7.3% indirectly by Hong Kong Education (Int'l) Investments Ltd., an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1082); and (iv) 18.1% by Cloud Investment Holdings Limited, a limited liability company incorporated in the Cayman Islands, which is owned as to 28% by Gransing Financial and as to an aggregate of 72% by more than 50 individuals, each of whom holds not more than 5% and to the knowledge of the Company, these individuals are independent of each other. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Target Company

The Target Company is a company established under the laws of the PRC with limited liability, and is principally engaged in corporate consultancy services.

Set out below are the audited financial information of the Target Company for the two financial years ended 31 December 2020 and 31 December 2021, respectively:

	For the year ended 31 December 2020 *(RMB)*	**For the year ended 31 December 2021** *(RMB)*
Loss before taxation	1,121,119	706,406
Loss after taxation	1,121,119	706,406

The audited consolidated net asset value of the Target Company as at 31 December 2021 was approximately RMB14,509,965.

As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the property investment and the financial services.

The Disposal enables the Group to realise the value in its investment in the Target Company.

The Board considers the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS

Based on the unaudited financial information of the Target Company as at 31 March 2022, the Group estimates that the Disposal will record a gain of approximately RMB3 million, being the difference between the net proceeds from the Disposal and the net asset value of the Equity Interest, with the figure being subject to the final audit by the Company's auditors.

The Company intends to apply the net proceeds from the Disposal of approximately RMB17 million toward potential business or investment opportunities as and when they arise and for replenishing its working capital.

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company. As a result, the financial results of the Target Company will no longer be consolidated into the financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal is 5% or more and all of such ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Board"	board of Directors of the Company
"Company"	Great Wall Pan Asia Holdings Limited (長城環亞控股有限公司)*, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 583)
"connected persons(s)"	has the meanings as defined in the Listing Rules

"Director(s)"	(a) director(s) of the Company
"Disposal"	the disposal of the Equity Interest by the Vendor to the Purchaser pursuant to the terms of the Equity Transfer Agreement
"Equity Interest"	100% equity interest in the Target Company
"Equity Transfer Agreement"	the equity transfer agreement dated 5 July 2022 entered into by the Vendor and the Purchaser in relation to the disposal of the Equity Interest
"Group"	the Company and its subsidiaries from time to time
"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
"Purchaser"	Gransing Securities Co., Limited（國投證券有限公司）, a limited liability company incorporated under the laws of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	深圳長城環亞國際股權投資基金管理有限公司 (Shen Zhen Great Wall Pan Asia International Equity Investment Fund Management Company Limited)**, a limited liability company established under the laws of the PRC, an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Valuation Report"	the valuation report dated 19 April 2022 issued by an independent third party valuer for the valuation of the 100% equity interest in the Target Company as of 31 December 2021 using asset-based approach and market approach
Vendor	Great Wall Pan Asia Asset Management Limited (長城環亞資產管理有限公司), a limited liability company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

** *The English translation of the Chinese name(s) in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By Order of the Board
Great Wall Pan Asia Holdings Limited
WANG Hai
Chairman and Executive Director

Hong Kong, 5 July 2022

As at the date of this announcement, the Board of the Company consists of Mr. Wang Hai and Mr. Xu Yongle as executive Directors of the Company, Mr. Yu Xianqing as non-executive Director of the Company, and Dr. Song Ming, Dr. Sun Mingchun and Ms. Liu Yan as independent non-executive Directors of the Company.

* *For identification purpose only*