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CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

**MATERIAL VARIATION OF THE TERMS OF
DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF 35% EQUITY INTEREST IN
THE TARGET COMPANY**

THE SECOND SUPPLEMENTAL AGREEMENT

Reference is made to the announcements of the Company dated 19 August 2022, 15 November 2022 and 5 December 2022 (the “**Announcements**”) respectively in relation to acquisition of 35% equity interest in the Target Company (the “**Acquisition**”) and the issue of Convertible Bonds under the general mandate. The Acquisition was completed on 5 December 2022.

The Target Company has advised the Company that the JV Company cannot obtain the Gas Business License by the deadline of 30 June 2024, as originally stated in the Supplemental Agreement, and anticipates that the JV Company can only obtain the Gas Business License on or before 30 November 2025. The Second Supplemental Agreement amends the Agreement and the Supplemental Agreement accordingly. Under the Second Supplemental Agreement, if the JV Company cannot obtain the Gas Business License on or before 30 November 2025, the Convertible Bonds will be automatically cancelled on 1 December 2025, the Company will re-transfer the shares of the Target Company to the Vendor and the Vendor will return the Convertible Bonds to the Company for nil consideration on or before 6 December 2025.

Save as disclosed above, there is no other material variation to the Agreement.

Reference is made to the announcements of the Company dated 19 August 2022, 15 November 2022 and 5 December 2022 (the “**Announcements**”) respectively in relation to, among other things, the acquisition of 35% equity interest in the Target Company and the issue of Convertible Bonds under the general mandate. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

THE SECOND SUPPLEMENTAL AGREEMENT

The Board announces that, on 12 June 2024, the Purchaser, the Vendor and the Target Company entered into a second supplemental agreement to the Agreement (the “**Second Supplemental Agreement**”).

The principal terms of the Second Supplemental Agreement are as follows:

Date: 12 June 2024

Parties:

- (i) the Purchaser, as the purchaser;
- (ii) the Vendor, as the vendor; and
- (iii) the Target Company

Consideration

The Acquisition was completed on 5 December 2022. The consideration of HK\$52,000,000 for the sale and purchase of the Sale Shares was settled by the Company allotting and issuing the Convertible Bonds to the Vendor on 5 December 2022. The Convertible Bonds have not been converted as they are subject to the condition that no transfer and/or assignment of Convertible Bonds shall take place before JV Company obtains the Gas Business License.

Post-Completion Obligations

The Target Company has advised the Company that the JV Company cannot obtain the Gas Business License by the deadline of 30 June 2024, as originally stated in the Supplemental Agreement, and anticipates that the JV Company can only obtain the Gas Business License by 30 November 2025 the latest. Hence, the Second Supplemental Agreement amends the Agreement and the Supplemental Agreement accordingly. If the JV Company cannot obtain the Gas Business License on or before 30 November 2025, the Convertible Bonds will be automatically cancelled on 1 December 2025, the Company will re-transfer the shares of the Target Company to the Vendor and the Vendor will return the Convertible Bonds to the Company for nil consideration on or before 6 December 2025.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had not carried out any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

Discloseable Transaction

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition was more than 5% but less than 25%, the Acquisition constituted a discloseable transaction of the Group under Chapter 14 of the Listing Rules.

Connected Transaction

As at the date of this announcement, the Vendor, is (i) a Director of the Company; (ii) the ultimate beneficial owner of 49% of the equity interest in Chengdu Kaibangyuan through Sichuan Huahan which is wholly owned by Zhongtoughongsheng, the entire equity interest in which is owned by the Vendor, is a substantial shareholder of the Chengdu Kaibangyuan, an indirect non-wholly owned subsidiary of the Company; and (iii) the ultimate beneficial owner of 65% of the equity interest in the Target Company of which the Company has a 35% equity interest. Hence, the Vendor is a connected person both at the Company and at the subsidiary level under the Listing Rules, and the Acquisition constituted a connected transaction of the Group under Chapter 14A of the Listing Rules. The Acquisition and the issue of Convertible Bonds as Consideration, but for Rule 14A.37 of the Listing Rules, were subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Second Supplemental Agreement constitutes a material variation of the terms of the Acquisition and therefore are subject to the same reporting, announcement and the independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Company has applied for, and on 12 June 2024, the Stock Exchange has granted, a waiver from the requirement for the Company to convene a general meeting under Rule 14A.37 of the Listing Rules on the basis that: (i) to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder had a material interest in the Second Supplemental Agreement, and no Shareholder would be required to abstain from voting if the general meeting of the Company was convened to approve the Second Supplemental Agreement; and (ii) written approvals by Resources Rich which was directly interested in 204,718,000 Shares and such Shares constituted approximately 52.82% of the total number of Shares as at the date of this Announcement, had been obtained by the Company for approving the Second Supplemental Agreement in lieu of convening a general meeting.

Mr. Zhang Bing being the Vendor is a Director of the Company. He does not hold any Share in the Company, and therefore cannot exercise any shareholder's vote on the Second Supplemental Agreement but has abstained from voting on the relevant board resolution. None of the other Directors has a material interest in the Second Supplemental Agreement and the transactions contemplated thereunder and therefore none of the other Directors was required to abstain from voting on the relevant board resolutions in respect of approving the Second Supplemental Agreement.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the entering into the Second Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee, comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the entering into the Second Supplemental Agreement. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) further details of the entering into the Second Supplemental Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; and (iv) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched by the Company to the Shareholders on or before 3 July 2024.

By Order of the Board
CENTRAL DEVELOPMENT HOLDINGS LIMITED
Chan Wing Yuen, Hubert
Chief Executive and Executive Director

Hong Kong, 12 June 2024

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Zhang Bing; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun, Ivy Connie and Ms. Zhong Yingjie, Christina.