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CL GROUP (HOLDINGS) LIMITED

昌利（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8098)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE INCOME RIGHTS OF A SOLAR PV POWER PLANT

On 8 October 2018, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement with the Purchaser pursuant to which the Vendor has agreed to sell to the Purchaser the Income Rights of the PV Power Plant at the consideration of RMB21 million in cash.

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

THE AGREEMENT

Date: 8 October 2018

Parties:

1. Blooming Business Holdings Limited as vendor;
2. Singyes Green Investment (HK) Company Limited as purchaser.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Purchaser is an Independent Third Party. The Purchaser is principally engaged in investment holding and is a wholly owned subsidiary of China Singyes, a company listed on the main board of the Stock Exchange.

Assets to be acquired

Under the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Income Rights of the PV Power Plant under the Acquisition Agreement.

Consideration

The Consideration of RMB21 million shall be paid to the Vendor in cash on or before 31 December 2018.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser taking into account of the amount of guaranteed income under the Acquisition Agreement and the original acquisition price of the Income Rights of RMB19 million paid by the Group to the Purchaser.

Guarantee

Pursuant to the Agreement, China Singyes shall guarantee the due payment of the consideration by the Purchaser under the Agreement.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

For illustrative purpose, based on (i) the audited book value of the Income Rights as at 31 March 2018 of approximately HK\$20 million and (ii) the Consideration of RMB21 million (equivalent to approximately HK\$24 million), it is estimated that the Group will record a gain of approximately HK\$4 million (before taxation) from the Disposal. Shareholders should note that the actual amount of the gain or loss on the Disposal to be recognized in the consolidated financial statements of the Company depends on the value of the Income Rights as at the date of completion and therefore may be different from the amount mentioned above.

The Board intends to apply the net proceeds of approximately HK\$24 million from the Disposal as working capital for the Group's principal businesses.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the provision of securities brokerage, trading and advisory services, margin and other loan financing services.

As set out in the Company's announcement dated 7 November 2014, the Group acquired from the Purchaser the Income Rights for 20 years commencing from 7 November 2014 at the consideration of RMB19 million. Pursuant to the Acquisition Agreement, the Purchaser shall pay to the Group an income (after relevant PRC tax) of not less than approximately RMB2 million per annum during the transfer period. Recently China Singyes approached the Company for buy back of the Income Rights. The Company considers that the Disposal will enable the Group to realize the Income Rights at a gain and to use the proceeds for developing the Group's principal businesses.

The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition Agreement”	the agreement dated 7 November 2014 made between the Purchaser as vendor and Million Genius Investment Limited, a subsidiary of the Company, as purchaser relating to the acquisition of the Income Rights by the Group as set out in the Company’s announcement dated 7 November 2014
“Agreement”	the transfer agreement dated 8 October 2018 made between the Vendor and the Purchaser relating to the transfer of the Income Rights
“Board”	the Board of directors of the Company
“China Singyes”	China Singyes Solar Technologies Holdings Limited, a company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange.
“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Company”	CL Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Consideration”	the sum of RMB21 million payable by the Purchaser to the Vendor pursuant to the Agreement
“Directors”	the directors of the Company
“Disposal”	the disposal of the Income Rights pursuant to the Agreement
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“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
“Income Rights”	the income rights of the PV Power Plant acquired by the Group pursuant to the Acquisition Agreement
“Independent Third Party(ies)”	an independent third party who is not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
“PRC”	The People’s Republic of China
“Purchaser”	Singyes Green Investment (HK) Company Limited (興業綠色投資 (香港) 有限公司)
“PV Power Plant”	the 5MW photovoltaic power plant at the rooftop of a factory located at Bubugao Logistics Park (步步高物流園), Yuetang district, Xiangtan city, Hunan province, PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Blooming Business Holdings Limited, a company incorporated in British Virgin Island and a wholly owned subsidiary of the Company

By Order of the Board
CL Group (Holdings) Limited
Kwok Kin Chung
Executive Director

Hong Kong, 8 October 2018

The Directors of the Company as at the date of this announcement are:-

Executive Directors:

Mr. Kwok Kin Chung (*Chief Executive Officer*)

Mr. Lau Kin Hon

Ms. Yu Linda

Independent non-executive Directors:

Mr. Chiu Wai Keung

Mr. Poon Wing Chuen

Mr. Wang Rongqian

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.