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True Partner
Capital Holding

TRUE PARTNER CAPITAL HOLDING LIMITED

(the “Company”)

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 8657)

DISCLOSEABLE TRANSACTIONS:

**(1) ACQUISITION OF 49% EQUITY INTEREST IN TRUE PARTNER
ADVISOR HONG KONG LIMITED**

AND

**(2) DISPOSAL OF 2.73% EQUITY INTEREST IN CSC FUTURES
(HK) LIMITED**

THE ACQUISITION

The Board announces that on 11 November 2021, after trading hours, CFC and TPA, a wholly-owned subsidiary of the Company entered into the Acquisition Agreement, pursuant to which CFC agreed to sell, and TPA agreed to purchase the Sale Shares (representing 49% of equity interest in TPAHK) at the aggregate consideration of HK\$14,252,729.

Immediately before the Acquisition, TPA held 51% of the total number of issued TPAHK Shares and therefore, TPAHK was an indirect subsidiary of the Company. Upon completion of the Acquisition, TPA will own 100% equity interest in TPAHK.

THE DISPOSAL

On the same day of the Acquisition, TPH, a wholly-owned subsidiary of the Company, and CFC entered into the Disposal Agreement, pursuant to which TPH agreed to sell, and CFC agreed to purchase the Disposal Shares (representing 2.73% of equity interest in CSCHK) at the consideration of HK\$6,616,200.

Immediately after the completion of the Disposal, TPH will own no equity interest in CSCHK.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain of the percentage ratios (as defined under the GEM Listing Rules) in respect of each of the Acquisition and the Disposal are more than 5% but less than 25%, the Acquisition and the Disposal will each constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

(1) ACQUISITION OF 49% EQUITY INTEREST IN TRUE PARTNER ADVISOR HONG KONG LIMITED

The Board announces that on 11 November 2021, after trading hours, CFC and TPA, a wholly-owned subsidiary of the Company entered into the Acquisition Agreement, pursuant to which CFC agreed to sell, and TPA agreed to purchase the Sale Shares (representing 49% of equity interest in TPAHK) at the aggregate consideration of HK\$14,252,729.

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

Date

11 November 2021 (after trading hours)

Parties

Seller: Capital Futures Corp., a company listed in Taiwan Stock Exchange (stock code: 6024.TW)

Purchaser: True Partner Advisor Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, CFC is an Independent Third Party.

Equity Interest to be acquired

CFC has agreed to sell, and TPA has agreed to purchase the Sale Shares. The Sale Shares represent 49% equity interest in TPAHK.

Consideration

The aggregate consideration is HK\$14,252,729 (the “**Acquisition Consideration**”) payable by TPA in cash to CFC at the completion of the Acquisition in accordance with the Acquisition Agreement.

The Acquisition Consideration was determined after arm’s length negotiations between CFC and TPA with reference to: (i) CFC’s initial investment amount of US\$1,122,700 for the Sale Shares (equivalent to HK\$8,732,361) made in October 2015; (ii) the unaudited net asset value of the TPAHK’s 49% shares as at 30 September 2021 of HK\$5,520,368; (iii) the benefit of having full control over TPAHK; (iv) the profit-making financial position of TPAHK for the financial years of 2019 and 2020 plus the significant increase in revenue of TPAHK for the financial year ended 2020, as compared to the corresponding period in the prior year and (v) the factors as set out in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION AND DISPOSAL”. Based on the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place within seven days subject to and after the parties have obtained all necessary permission, consent and/or approval required from all competent governmental authorities or on such date as agreed by CFC and TPA.

It is contemplated that approval letters are required to obtain from the Financial Supervisory Commission and the Ministry of Economic Affairs Investment Commission in Taiwan. Save as aforesaid, no other approval is currently expected to be necessary.

Immediately after completion of the Acquisition, TPA will own 100% equity interest in TPAHK, and the financial results of TPAHK will remain consolidated with the results of the Group.

INFORMATION ABOUT TPAHK

TPAHK is a company with limited liability incorporated in Hong Kong and a 51% owned subsidiary of the Company. TPAHK is licensed by the Hong Kong Securities Futures Commission under the Securities and Futures Ordinance to carry out type 9 (asset management) regulated activities.

The financial information of TPAHK for the two financial years ended 31 December 2019 and 2020 are as follows:

	For the year ended 31 December 2019 HK\$'000 (audited)	For the year ended 31 December 2020 HK\$'000 (audited)
Revenue	33,228	41,588
Profit before income tax expense	1,479	1,502
Profit after income tax expense	1,386	1,238

As at 30 September 2021, the unaudited total asset value and net asset value of TPAHK were approximately HK\$18.0 million and HK\$11.3 million, respectively.

(2) DISPOSAL OF 2.73% EQUITY INTEREST IN CSC FUTURES (HK) LIMITED

On the same day of the Acquisition, TPH, a wholly-owned subsidiary of the Company, and CFC entered into the Disposal Agreement, pursuant to which TPH agreed to sell, and CFC agreed to purchase the Disposal Shares (representing 2.73% of equity interest in CSCHK) at the consideration of HK\$6,616,200.

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are set out below:

Date

11 November 2021 (after trading hours)

Parties

Seller: True Partner Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

Purchaser: Capital Futures Corp., a company listed in Taiwan Stock Exchange (stock code: 6024.TW) and primarily provides domestic futures clearing and settlement services, domestic/foreign futures brokerage services, securities investment banking services, futures consultancy services, leveraged trading as well as engaged in derivative product development.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, CFC is an Independent Third Party.

Equity Interest to be disposed

TPH has agreed to sell, and CFC has agreed to purchase the Disposal Shares. The Disposal Shares represent 2.73% equity interest in CSCHK.

Consideration

The aggregate consideration is HK\$6,616,200 (the “**Disposal Consideration**”) payable by CFC in cash to TPH at the completion of the Disposal in accordance with the Disposal Agreement.

The Disposal Consideration was determined after arm’s length negotiations between TPH and CFC, with reference to: (i) TPH’s initial investment amount of HK\$6,000,000 for the Disposal Shares made in March 2014; (ii) the unaudited net asset value of the CSCHK was HK\$242.6 million as at 30 September 2021; (iii) the loss making financial position of CSCHK for each of the two financial years ended 31 December 2019 and 2020 and (iv) the factors as set out in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION AND DISPOSAL”.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal to be fair and reasonable and are in the interests of the Company and the Shareholders.

Completion

Completion shall take place subject to and after the parties have obtained all necessary permission, consent and/or approval required from all competent governmental authorities or on such date as agreed by TPH and CFC.

It is contemplated that approval letters are required to obtain from the Financial Supervisory Commission and the Ministry of Economic Affairs Investment Commission in Taiwan. Save as aforesaid, no other approval is currently expected to be necessary.

Completion of the Disposal is not dependent on the completion of the Acquisition, vice versa.

THE GAIN EXPECTED TO ACCRUE FOR THE DISPOSAL OF SHARE AND THE BASIS FOR DISPOSAL GAIN CALCULATED

Upon completion of the Disposal, the Company will no longer hold any equity interest in CSCHK.

It is estimated that the Company will record a gain of approximately HK\$616,200 from the Disposal. Such gain is calculated after taking into: (i) the consideration of the Disposal of HK\$6,616,200; deducting (ii) the net value of investment in the amount of HK\$2,827,000 as at 31 December 2020, accounted for in the Company's consolidated statement of financial position as "financial assets at fair value through other comprehensive income"; and (iii) fair value reserve of HK\$3,137,000 which represents the cumulative net change in the fair value of financial assets through other comprehensive income.

The actual amount of gain as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditor of the Company.

THE INTENDED APPLICATION OF THE PROCEEDS

It is expected that the net proceeds from the Disposal will be used by the Company in other future investment and business expansions that may arise and as general working capital of the Company.

INFORMATION ABOUT CSCHK

CSCHK is a company incorporated in Hong Kong with limited liability and a subsidiary of CFC. Its principal business activities are futures and options broking, and proprietary trading. CSCHK is licensed to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO, and is a corporate participant of the Hong Kong Futures Exchange Limited.

The financial information of CSCHK for the two financial years ended 31 December 2019 and 2020 are as follows:

	For the year ended 31 December 2019 HK\$'000 (audited)	For the year ended 31 December 2020 HK\$'000 (audited)
Revenue	57,584	91,510
(Loss)/Profit before income tax expense	(13,113)	(3,722)
(Loss)/Profit after income tax expense	(13,113)	(3,722)

As at 30 September 2021, the unaudited total asset value and net asset value of CSCHK were approximately HK\$2.2 billion and HK\$242.6 million, respectively.

INFORMATION ABOUT CFC

CFC is a company listed in Taiwan Stock Exchange (stock code: 6024.TW) and primarily provides domestic futures clearing and settlement services, domestic/foreign futures brokerage services, securities investment banking services, futures consultancy services, leveraged trading as well as engaged in derivative product development.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in fund management business and providing consultancy services. TPAHK, a wholly-owned subsidiary of the Company, provides investment management services.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND DISPOSAL

The Group, a Hong Kong and U.S. based fund management group which manages funds and managed accounts on a discretionary basis using a global volatility relative value trading strategy, has been expanding its global presence and visibility to further grow its AUM to enhance profitability and maximize the potential for stable Shareholder returns.

The Board is of the opinion that obtaining full ownership of TPAHK as a 100% owned subsidiary by means of the Acquisition, is beneficial to the Group. Such full ownership allows the Group to further utilize this licensed asset management company in expanding current investment mandates and potentially obtaining additional investment mandates and as such enhance return to the Shareholders of the Company. As much a reason and benefit for the Acquisition are the financial performance of TPAHK and the future revenue which can be generated from the licensed asset management activities by TPAHK. The Acquisition is therefore considered by the Board to be a good opportunity to optimize the Group's asset management activities and expand the Group's existing business opportunities.

The Group acquired a 5% interest in CSCHK from CFC in March 2014 through TPH as part of co-operation plan between the Group and the Capital Group. In December 2016, the Group's interest was diluted to 2.73% due to an allotment to CSCHK. However, in recent years, the Group's asset management activities have experienced significant growth and as such the Board is of the view that ownership of a minority stake in a Hong Kong brokerage and proprietary trading firm is no longer conducive and is not congruent with its long-term goal of further expansion of the Group's asset management activities. Furthermore, the Disposal enables the Group to realise cash and unlock the value of this minority stake, currently held as financial asset at fair value through other comprehensive income. The Board is of the opinion that the application of the proceeds from the Disposal in future investment and business expansions or addition thereof to the Group's working capital will be beneficial to the overall development of the Group.

In view of the above, the Directors considered that the terms of the Acquisition and the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As certain of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition and the Disposal respectively are more than 5% but all of them are less than 25%, each of the Acquisition and the Disposal will constitute a discloseable transaction of the Company under the GEM Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by TPA from CFC pursuant to the Acquisition Agreement
“Acquisition Agreement”	the share transfer agreement dated 11 November 2021 entered into between CFC and TPA in relation to the Acquisition
“Board”	the board of Directors
“CFC”	Capital Futures Corp., a company listed in Taiwan Stock Exchange (stock code: 6024.TW)
“Company”	True Partner Capital Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8657)
“CSCHK”	CSC Futures (HK) Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposal Shares pursuant to the Disposal Agreement

“Disposal Agreement”	the share transfer agreement dated 11 November 2021 entered into between CFC and TPH in relation to the Disposal
“Disposal Shares”	6,000,000 ordinary shares of CSCHK
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Group”	the Company, together with its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party”	A party who is a third party independent of the Company and its connected persons and their respective associate (as defined in the GEM Listing Rules)
“Sale Shares”	245,000 ordinary shares of TPAHK
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TPA”	True Partner Advisor Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company
“TPAHK”	True Partner Advisor Hong Kong Limited, a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of the Company prior to the completion of the Acquisition
“TPH”	True Partner Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“Capital Group”	the Capital Futures Corp. together with its subsidiaries
“US\$”	the United States dollar(s), the lawful currency of the United States
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the approximate exchange rate of US\$1.00 = HK\$7.778. This exchange rate is for the purpose of illustration only.

By order of the board of
True Partner Capital Holding Limited
Ralph Paul Johan van Put
Chairman and Chief Executive Officer

Hong Kong, 11 November 2021

As at the date of this announcement, the Board comprises Mr. Ralph Paul Johan van Put, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster and Mr. Roy van Bakel, each as an executive Director and Mr. Jeroen M. Tielman, Ms. Jasmine Wan Ting Pai and Mr. Michael Ngai Ming Tak, each as an independent non-executive Director.

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’s website at <http://www.hkgem.com> on the “Latest Listed Company Information” page for a minimum period of seven days from the date of its publication. This announcement will also be published on the Company’s website at www.truepartnercapital.com.