

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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



中國港橋控股有限公司

China HKBridge Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**
- (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AT HK\$2.2 PER RIGHTS SHARE;**
- (3) APPLICATION FOR WHITEWASH WAIVER; AND**
- (4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Independent financial adviser to the Independent Board Committee and the Independent Shareholders



PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

To facilitate the allotment and issue of the Rights Shares, the Board proposes to increase the authorised share capital of the Company from HK\$200,000,000 (divided into 2,000,000,000 Shares of a par value of HK\$0.10 per Share) to HK\$500,000,000 (divided into 5,000,000,000 Shares of a par value of HK\$0.10 per Share) by the creation of additional 3,000,000,000 unissued Shares.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM to consider and approve the Increase in Authorised Share Capital.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of approximately HK\$1,610.4 million by way of Rights Issue (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Company will allot and issue 732,000,000 Rights Shares at the Subscription Price of HK\$2.2 per Rights Share. The Rights Issue is conditional on, among other things, the passing of the ordinary resolutions by the Independent Shareholders at the SGM to approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver.

To qualify for the Rights Issue, a Shareholder must be a registered member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders and any Rights Shares provisionally allotted but not taken up.

Each of the Underwriter and China Tian Yuan has provided Irrevocable Undertakings to the Company to subscribe for their respective provisional allotments of Rights Shares (being an aggregate of 290,096,333 Rights Shares), and each of Mr. Sun and Mr. Jia has irrevocably undertaken to procure the performance of the obligations of the Underwriter and China Tian Yuan as mentioned above, respectively.

The Rights Issue (excluding the Rights Shares which are subject to the Irrevocable Undertakings as described below) will be fully underwritten by the Underwriter, and the relevant number involved is 441,903,667 Rights Shares.

It is estimated that the net proceeds of the Rights Issue will be approximately HK\$1,595.4 million (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the Completion), after deducting all necessary expenses for the Rights Issue, which include the relevant professional fees incurred by the Company. To strengthen the Group's financial position, the Company intends to apply the net proceeds from the Rights Issue as to (1) approximately 25% for the repayment of the existing indebtedness of the Group to a non-financial institution, which amounts to approximately HK\$406.3 million as at 30 June 2017; (2) approximately 70% to support and develop the Group's existing asset management businesses and the newly set up investment platform in Shenzhen, which amounts to approximately HK\$1,109.4 million. For the Group's existing asset management and financial service businesses in Hong Kong and in China, approximately two-thirds of such 70% of the net proceeds will be used as seed money for launching new funds in Hong Kong within the next 12 months and the remaining one-third will be used to finance the investment platform in Shenzhen; and (3) approximately 5% as general working capital of the Group and/or for future investment opportunities should suitable opportunities become available to the Group, which amounts to approximately HK\$79.7 million. As at the date of this announcement, the Group had not identified any specific acquisition target.

LISTING RULES IMPLICATIONS

Since the Rights Issue would increase neither the issued share capital nor the market capitalisation of the Company by more than 50%, the Rights Issue is not required to be conditional on approval by the Shareholders under Rule 7.19(6) of the Listing Rules.

As the Underwriter is a substantial shareholder of the Company and thus, a connected person of the Company, the entering into of the Underwriting Agreement by the Company constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.92(2) of the Listing Rules, as the Company has made arrangements for the Qualifying Shareholders to apply for the Rights Shares in excess of their entitlements under the Rights Issue in compliance with Rule 7.21(1) of the Listing Rules, the issue of the Rights Shares to the Underwriter under the Rights Issue is exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the underwriting commission payable by the Company to the Underwriter would be approximately HK\$9.7 million, representing no more than 1% of the gross proceeds of 441,903,667 Rights Shares being underwritten by the Underwriter. As the highest percentage ratio in respect of the payment of the underwriting commission is more than 0.1% but less than 5%, such payment constitutes a connected transaction for the Company which is exempt from circular (including independent financial advice) and Independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Underwriter alone holds 340,192,667 Shares, representing approximately 23.24% of the total number of Shares in issue in the Company. The Underwriter and parties acting in concert with it (including Zhisheng) hold an aggregate of 510,290,000 Shares, representing approximately 34.86% of the total number of Shares in issue in the Company.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Underwritten Shares. Assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of the Rights Shares and excess Right Shares, the Underwriter will be required to take up all the Underwritten Shares and the aggregate shareholding interest held by the Underwriter alone, and the Underwriter together with parties acting in concert with it would increase to approximately 43.36% and 51.11% of the issued share capital of the Company as enlarged by the issue of the Rights Shares immediately after Completion, respectively. In such circumstances, the Underwriter and parties acting in concert with it would be required to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Underwriter and parties acting in concert with it) under Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is obtained from the Executive.

Pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, as the Underwriter and parties acting in concert with it (including Zhisheng) are interested in the Whitewash Waiver, they are required to abstain from voting on the resolution to be proposed at the SGM in relation to the Whitewash Waiver.

GENERAL

The SGM will be convened and held to consider and, if appropriate, approve the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

The voting in respect of the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver will be conducted by way of a poll. The Underwriter and their respective associates, and those who has material interest in the Rights Issue and the Underwriting Agreement shall abstain from voting on the resolutions approving the Rights Issue and the Underwriting Agreement, and the Underwriter, Zhisheng and parties acting in concert or presumed to be acting in concert with any of them, and those who is/are involved in or interested in the Whitewash Waiver shall abstain from voting on the resolution approving the Whitewash Waiver.

The Independent Board Committee comprising all non-executive and independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and how to vote on the proposed resolution(s) in respect thereof in the SGM. The Company has appointed TC Capital International Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Circular containing, among other matters, details of the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver and a notice convening the SGM, is expected to be despatched to the Shareholders on or around Thursday, 21 September 2017. The Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable after the approval of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver by the Independent Shareholders at the SGM and the Prospectus will be despatched to the Excluded Shareholders for information purposes only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, among other things, approval by the Independent Shareholders at the SGM and the obligations of the Underwriter under the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Friday, 13 October 2017 and that dealings in the Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be on Thursday, 9 November 2017), and any dealings in the Rights Shares in their nil-paid form from Thursday, 26 October 2017 to Friday, 3 November 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating dealing in the securities of the Company are recommended to consult their own professional advisers.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$200,000,000 (divided into 2,000,000,000 Shares of a par value of HK\$0.10 per Share) to HK\$500,000,000 (divided into 5,000,000,000 Shares of a par value of HK\$0.10 per Share) by the creation of additional 3,000,000,000 unissued Shares (the “**Increase in Authorised Share Capital**”).

As at the date of this announcement, the unissued Shares are 536,000,000 Shares which fall short of the maximum number of 732,000,000 Rights Shares to be allotted and issued under the Rights Issue. The Board considers that the Increase in Authorised Share Capital will facilitate the issue of the Rights Shares and give greater flexibility to the Company to, when necessary, raise funds through the issue of new Shares in the future. As such, the Board is of the view that the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM to consider and approve the Increase in Authorised Share Capital.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of approximately HK\$1,610.4 million by way of Rights Issue (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Rights Issue is proposed with the terms set out as follows.

Rights Issue statistics

Basic of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the date of this announcement	:	1,464,000,000 Shares
Number of Rights Shares	:	732,000,000 Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date)
Subscription Price	:	HK\$2.2 per Rights Share with a nominal value of HK0.1 each
		The net Subscription Price for each Rights Share is approximately HK\$2.18
Number of Shares in issue upon Completion	:	2,196,000,000 Shares (further assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date)
Underwriter:	:	Youfu Investment Co., Ltd, a company wholly-owned by Mr. Sun and which owns 340,192,667 Shares as at the date of this announcement

Outstanding Share Awards

As at the date of this announcement, there are Outstanding Share Awards held by a beneficiary (namely, Mr. Liu Tingan, an executive Director), pursuant to which up to 48,000,000 Shares may be issued upon certain vesting conditions being met. The relevant award Shares attached to such Outstanding Share Awards will be vested in tranches of 12,000,000 shares per year. The next vesting date of the second tranche of award Shares in respect of the Outstanding Share Awards is 31 March 2018. For such reasons and having regard to the current timetable of the proposed Rights Issue, the total number of Rights Shares will not be affected by the Outstanding Share Awards.

Upon Completion, it is expected that the number of award Shares attached to the Outstanding Share Awards would not be subject to any adjustment.

Other convertible securities

As at the date of this announcement, save for the Outstanding Share Awards, there were no derivatives, outstanding convertible securities, options or warrants of the Company in issue which confer any right to subscribe for, convert or exchange into the Shares as at the date of this announcement.

Assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the 732,000,000 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent (i) 50% of the total number of Shares in issue in the Company as at the date of this announcement; and (ii) approximately 33.33% of the total number of Shares in issue in the Company as enlarged by the issue of the Rights Shares.

The Subscription Price

The Subscription Price of HK\$2.2 per Rights Share will be payable in full when a Qualifying Shareholder accepts the relevant provisional allotments of the Rights Shares and, where applicable, applies for excess Rights Shares or when a renounee of any provisional allotment of Rights Shares or a transferee of nil-paid Rights Shares applies for the relevant Rights Shares. The Subscription Price represents:

- (a) a discount of approximately 21.43% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 22.04% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$2.82 per Share;
- (c) a discount of approximately 22.73% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.85 per Share;
- (d) a discount of approximately 15.38% to the theoretical ex-rights price of approximately HK\$2.60 per Share based on the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a premium of approximately 171.60% over the audited consolidated net asset value per Share as at 31 December 2016 of approximately HK\$0.81 (which is calculated based on the audited consolidated net asset value of the Group attributable to the owners of the Company as at 31 December 2016 of approximately HK\$1,167,378,000 and 1,440,000,000 Shares in issue as at 31 December 2016); and

- (f) a premium of approximately 165.06% over the unaudited consolidated net asset value per Share as at 30 June 2017 of approximately HK\$0.83 (which is calculated based on the unaudited consolidated net asset value of the Group attributable to the owners of the Company as at 30 June 2017 of approximately HK\$1,217,051,000 and 1,464,000,000 Shares in issue as at 30 June 2017).

The terms of the Rights Issue, including the Subscription Price, were determined after arm's length negotiations between the Company and the Underwriter, after having taken into account (i) the prevailing market prices of the Shares, (ii) the capital needs and financial position of the Company and (iii) the prevailing market conditions of the capital market in Hong Kong.

The Directors (excluding members of the Independent Board Committee whose view will be set out in the Circular) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional on, among other things, the passing of the ordinary resolutions by the Independent Shareholders at the SGM to approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. Please refer to the paragraph headed "The Underwriting Agreement – Conditions" below for details of the conditions of the Underwriting Agreement.

Status of the Rights Shares

The Rights Shares, when allotted and fully-paid, will rank pari passu with the Shares then in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the fully-paid Rights Shares.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information purposes only, to the Excluded Shareholders.

To qualify for the Rights Issue, a Shareholder must be (a) a registered member of the Company at the close of business on the Record Date and (b) a Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, investors whose Shares are held by their nominee(s) (or held in CCASS) must lodge any transfers of the Shares (together with the relevant Share certificates) with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Monday, 16 October 2017.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s). If, based on legal advice, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholder(s) and no provisional allotment of nil-paid Rights Shares or allotment of Rights Shares will be made to them. The Company will only send the Prospectus to the Excluded Shareholders for their information. The Excluded Shareholders will, however, be entitled to attend and vote at the SGM. Further information in this connection will be set out in the Prospectus. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus (without PAL or EAF) to the Excluded Shareholders for their information only on the Prospectus Date.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealing in the nil-paid Rights Shares. If a premium (net of expenses and stamp duty) can be obtained, the net proceeds of such sale, less expenses, will be paid pro rata to the Excluded Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Excluded Shareholders will be taken up by excess application on the EAF or the Underwriter pursuant to the terms of the Underwriting Agreement. For the avoidance of doubt, the Excluded Shareholders will be entitled to vote at the SGM.

As at the date of this announcement, there is one Overseas Shareholder.

Overseas Shareholder(s) and beneficial owners of the Shares who are residing outside Hong Kong should note that he/she/it/they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas Shareholder(s) should exercise caution when dealing in the securities of the Company.

Closure of register of members for establishing entitlements to the Rights Issue

The Company's register of members will be closed from Tuesday, 17 October 2017 to Monday, 23 October 2017, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Fractions of the Rights Shares

The Company will not provisionally allot and will not accept applications for any fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number), and all nil-paid Rights Shares arising from such aggregation will be sold by the Company in the market and, if a premium (net of expenses and stamp duty) can be obtained, the Company will keep the net proceeds for its own benefit. Any unsold aggregate fractions of the nil-paid Rights Shares will be made available for excess application on the EAF by the Qualifying Shareholders.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for (a) any unsold entitlements of the Excluded Shareholders, (b) any Rights Shares provisionally allotted but not taken up by other Qualifying Shareholders and (c) any unsold aggregate fractions of Rights Shares.

Application may be made by duly completing and signing the EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the Latest Acceptance Time. The Board will allocate the excess Rights Shares (if any) at its discretion, but on a fair and equitable basis, to the Qualifying Shareholders under each application. No preference will be given to applications for topping up odd lot holdings to whole board lot holdings as the giving of such preference may potentially be abused by certain Shareholders by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result.

As mentioned in the paragraph headed "Qualifying Shareholders" above, Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually. For details of registration of the Shareholders on the register of members of the Company, please refer to the paragraph headed "Qualifying Shareholders" above.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Share certificates for the Rights Shares and refund cheques

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 16 November 2017 to those entitled thereto by ordinary post at their own risks to their registered addresses.

Refund cheques in respect of the acceptance for the Rights Shares (in case of termination of the Rights Issue) or in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or before Thursday, 16 November 2017 by ordinary post to the applicants at their own risk to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares (in both their nil-paid and fully paid forms) to be admitted into CCASS. Both the nil-paid Rights Shares and the fully-paid Rights Shares will be traded in board lots of 2,000 Shares in the market. Dealing in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and other applicable fees and charges in Hong Kong.

THE UNDERWRITING AGREEMENT

After trading hours of the Stock Exchange on 31 August 2017, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue. The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertakings) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement. Major terms of the Underwriting Agreement are set out below.

Date: 31 August 2017

Parties: (1) The Company; and

(2) the Underwriter, which owns 340,192,667 Shares as at the date of this announcement, representing approximately 23.24% of the existing issue share capital of the Company. The Underwriter does not underwrite issues of securities in its ordinary course of business.

Total number of Underwritten Shares

The total number of Rights Shares agreed to be underwritten by the Underwriter is 441,903,667 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date), being the total number of 732,000,000 Rights Shares less a total of 290,096,333 Rights Shares to be taken up by the Underwriter and China Tian Yuan under the Irrevocable Undertakings.

Commission

The underwriting commission under the Underwriting Agreement is 1% of the aggregate Subscription Price in respect of the Rights Shares agreed to be underwritten by the Underwriter. The commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, relationship between the Company and the Underwriter, the scale of the Rights Issue and the commission rates charged by underwriters in the recent market precedents of rights issue, which range from nil to approximately 3%. Given that the commission rate of 1% charged by the Underwriter falls within the range of the market precedents, the Directors (excluding members of the Independent Board Committee whose view will be formed and set out in the Circular which contains details of the Rights Issue) consider that the underwriting commission rate is on normal commercial terms and fair and reasonable.

Conditions

The obligations of the Underwriter are conditional upon:

- (a) the Independent Shareholders passing the ordinary resolutions at the SGM to approve, among others, (i) the Increase in Authorised Share Capital; (ii) the Rights Issue; (iii) the Underwriting Agreement and the transactions contemplated thereunder; and (iv) the Whitewash Waiver;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Termination Time;
- (c) the Executive granting the Whitewash Waiver to the Underwriter and such waiver not having been revoked or withdrawn, and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (d) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable laws or regulations to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (e) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date;
- (f) the Underwriter and China Tian Yuan providing their respective Irrevocable Undertakings and complying with and performing their respective obligations and undertakings thereunder;
- (g) the Underwriting Agreement not having been terminated by the Underwriter pursuant to the terms thereof on or before the Latest Termination Time; and
- (h) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Termination Time.

The Company shall use all reasonable endeavours to procure the fulfillment of the conditions set out in (a) to (h) above by the Latest Acceptance Time. The conditions set out in (a) to (e) above are incapable of being waived by the Underwriter or the Company. The Underwriter may waive the condition set out in (f) to (h) above in whole or in part by written notice to the Company.

If the above conditions are not satisfied (or, if applicable, waived in whole or in part by the Underwriter) by the Latest Acceptance Time or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against the other party for cost, damages, compensation or otherwise (save in respect of any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination).

Rescission and termination

If, prior to the Latest Termination Time, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business, the financial or trading position or prospects of the Group as a whole;
- (c) any material adverse change after the signing of the Underwriting Agreement in the business, the financial or trading position or prospects of the Group as a whole;
- (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business, the financial or trading position or prospects of the Group as a whole;
- (e) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (f) there is, after signing of the Underwriting Agreement, any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, in/on Hong Kong, the PRC or other jurisdiction relevant to any member of the Group and a change in currency conditions for this purpose which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (g) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company, which event or events is or are in the reasonable opinion of the Underwriter material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company served prior to the Latest Termination Time to terminate the Underwriting Agreement.

In the event the Underwriter exercises the right to terminate or rescind the Underwriting Agreement by giving written notice of termination or rescission prior to the Latest Termination Time, all the obligations of the Underwriter under the Underwriting Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. A further announcement would be made if the Underwriting Agreement is so terminated or rescinded.

Irrevocable Undertakings

As at the date of this announcement, the Underwriter was the registered holder of 340,192,667 Shares (representing approximately 23.24% of the total number of Shares in issue in the Company) while China Tian Yuan was the registered holder of 240,000,000 Shares (representing approximately 16.39% of the total number of Shares in issue in the Company). Each of the Underwriter, China Tian Yuan, Mr. Sun and Mr. Jia have executed the Irrevocable Undertakings in favour of the Company, pursuant to which, among other things, (i) each of the Underwriter and China Tian Yuan has irrevocably undertaken to accept and lodge applications for their respective provisional allotments of Rights Shares (being an aggregate of 290,096,333 Rights Shares); (ii) each of the Underwriter and China Tian Yuan has irrevocably undertaken not to transfer, trade or otherwise deal in any of their Shares on or before the Record Date or when the Underwriting Agreement is otherwise terminated in accordance with the terms thereof, whichever is the earlier; and (iii) each of Mr. Sun and Mr. Jia has irrevocably undertaken to procure the performance of the obligations of the Underwriter and China Tian Yuan as mentioned above respectively.

The Irrevocable Undertakings shall terminate after the Record Date or the termination of the Underwriting Agreement (as the case may be).

Other undertakings

The Underwriter further undertakes to the Company that it shall use its best endeavours and take appropriate steps to ensure that the public float requirements under Rule 8.08(1) of the Listing Rules be fulfilled by the Company at all times upon Completion, including but not limited to entering into sub-underwriting agreement(s) to place out its Shares to maintain the minimum public float for the Shares.

INFORMATION OF THE UNDERWRITER AND PARTIES ACTING IN CONCERT WITH IT

The Underwriter is, an investment holding company incorporated in the BVI and is wholly owned by Mr. Sun, an Independent Third Party. Mr. Sun has more than 25 years of experience in corporate finance and import and export trading. He also has over 15 years of experience in real estate trading in the PRC. Mr. Sun is the brother-in-law of Ms. He, the sole shareholder of Zhisheng. Ms. He is the sister-in-law of Mr. Sun and therefore, the Underwriter, Mr. Sun, Zhisheng and Ms. He are parties acting in concert under the Takeovers Code.

As at the date of this announcement, save as disclosed in this announcement, there is:

- (a) no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of each of the Underwriter and any parties acting in concert with it (including Zhisheng) and which might be material to the Whitewash Waiver;
- (b) no other agreement or arrangement to which the Underwriter or any parties acting in concert with it (including Zhisheng) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Whitewash Waiver; and
- (c) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Underwriter or any parties acting in concert with it (including Zhisheng) has borrowed or lent.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all conditions of the Rights Issue will be fulfilled. Further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	2017
Expected despatch date of the Circular, proxy form and notice of the SGM	Thursday, 21 September
Latest time for registration of Shares to be qualified for attendance and voting at the SGM	4:30 p.m. on Friday, 29 September
Closure of register of members of the Company for determining entitlements to attend the SGM	From Tuesday, 3 October to Wednesday, 11 October (both dates inclusive)
Latest time for lodging proxy forms for the SGM	10:00 a.m. on Monday, 9 October

Event**2017**

Record date for determining entitlements to attend the SGM	Wednesday, 11 October
Expected time and date of the SGM	10:00 a.m. on Wednesday, 11 October
Announcement of poll results of the SGM	Wednesday, 11 October
Effective date of the Increase in Authorized Share Capital	Wednesday, 11 October
Last day of dealings in the Shares on a cum-rights basis	Thursday, 12 October
First day of dealings in the Shares on an ex-rights basis	Friday, 13 October
Latest time for the Shareholders to lodge transfer of the Shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 16 October
Closure of register of members of the Company for determining entitlements to the Rights Issue	From Tuesday, 17 October to Monday, 23 October (both dates inclusive)
Record Date for determining entitlements to the Rights Issue	Monday, 23 October
Register of members of the Company re-opens	Tuesday, 24 October
Despatch of Prospectus Documents (in the case of the Excluded Shareholders, Prospectus only)	Tuesday, 24 October
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Thursday, 26 October
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 31 October
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Friday, 3 November
Latest Acceptance Time	4:00 p.m. on Wednesday, 8 November
Latest Termination Time and the Rights Issue becomes unconditional	4:00 p.m. on Thursday, 9 November

Announcement of the allotment results of the Rights Issue	Wednesday, 15 November
Despatch of certificates for the fully-paid Rights Shares	Thursday, 16 November
Despatch of refund cheques if the Rights Issue does not proceed and in respect of wholly or partially unsuccessful application(s) for excess Rights Shares	on or before Thursday, 16 November
Expected first day of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 17 November

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

All times in this announcement refer to Hong Kong time. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Wednesday, 8 November 2017, being the date of the Latest Acceptance Time,

- (a) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Acceptance Time will be postponed to 5:00 p.m. on the same Business Day; or
- (b) at any time between 12:00 noon and 4:00 p.m., the Latest Acceptance Time will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.,

the dates mentioned in the expected timetable above (including, without limitation, the Latest Termination Time) may be affected.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY RESULTING FROM THE RIGHTS ISSUE

Set out below are the shareholding structures of the Company before and after the Rights Issue, assuming there is no change in the issued share capital of the Company since the date of this announcement up to the Record Date:

	(i) As at the date of this announcement		(ii) Immediately after Completion, assuming all the Rights Shares are subscribed by the Qualifying Shareholders		(iii) Immediately after Completion, assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of Rights Shares and excess Rights Issue	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
The Underwriter (Note 1)	340,192,667	23.24	510,289,000	23.24	952,192,667	43.36
Zhisheng (Note 1)	170,097,333	11.62	255,145,999	11.62	170,097,333	7.75
Sub-total of the Underwriter and parties acting in concert	510,290,000	34.86	765,434,999 (Note 5)	34.86	1,122,290,000	51.11
Connected persons:						
China Tian Yuan (Note 2)	240,000,000	16.39	360,000,000	16.39	360,000,000	16.39
China Aim Holdings Limited (Note 3)	200,000,000	13.66	300,000,000	13.66	200,000,000	9.11 (Note 6)
Liu Tingan (Note 4)	12,000,000	0.82	18,000,000	0.82	12,000,000	0.55
Public Shareholders	501,710,000	34.27	752,565,000 (Note 5)	28.71	501,710,000	22.84 (Note 6)
Total	1,464,000,000	100.00	2,196,000,000	100.00	2,196,000,000	100.00

Notes:

- The Underwriter is wholly-owned by Mr. Sun. He is the brother-in-law of Ms. He Yeqin (賀葉芹) (“**Ms. He**”), the sole shareholder of Zhisheng. Ms. He is the sister-in-law of Mr. Sun. Therefore, the Underwriter, Mr. Sun, Zhisheng and Ms. He are parties acting in concert under the Takeovers Code.
- China Tian Yuan is wholly-owned by Ningxia Tian Yuan Manganese Industry Co., Ltd.* (寧夏天元錳業有限公司), which is in turn owned as to 99.62% by Mr. Jia, 0.19% by Ms. Dong Jufeng (東菊鳳) and Ms. Zhu Fenglian (朱鳳蓮), respectively

* For identification purpose only

3. China Aim Holdings Limited is wholly-owned by Ms. Liu Hui (劉慧).
4. Mr. Liu Tingan (劉廷安) is an executive Director.
5. Assuming the aggregate fractions of one Rights Share will be sold in the market or taken by other Qualifying Shareholders in the public.
6. Immediately after Completion, assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of Rights Shares and excess Rights Issue, the shareholding of China Aim in the Company will fall below 10% and it will no longer be a substantial shareholder of the Company and hence, no longer be a connected person of the Company. In such connection, the total shareholding of all public shareholders (including China Aim) in the Company will become 31.95%. In any event, the Underwriter undertakes to maintain the minimum public float as mentioned in the paragraph headed “The Underwriting Agreement – Other undertakings” above.

FUND RAISING EXERCISE IN THE PRECEDING 18-MONTH PERIOD

The table below sets out the fund raising activity conducted by the Company in the past 18 months immediately preceding the date of this announcement:

Date of announcements	Fund raising activity	Date of completion	Net proceeds raised	Intended use of the proceeds	Actual use of the proceeds
26 February 2016, 1 March 2016 and 9 March 2016	Placing of 200,000,000 Shares at a placing price of HK\$0.925 per placing Share to China Aim Holdings Limited	9 March 2016	Approximately HK\$182.5 million (after deducting the placing commission payable to the placing agent and other expenses incurred)	General working capital	As disclosed in the Company’s announcement dated 14 November 2016, approximately 20% of the net proceeds was used as the Group’s general working capital (including operating expenses) and approximately 80% was utilised for the Group’s financial investments or investments, which include both listed and unlisted equity and debt investments

Date of announcements	Fund raising activity	Date of completion	Net proceeds raised	Intended use of the proceeds	Actual use of the proceeds
14 November 2016 and 6 December 2016	Placing of 240,000,000 Shares at a placing price of HK\$2.0 per placing Share to China Tian Yuan (i.e. the placee)	6 December 2016	Approximately HK\$477.6 million (after deducting the commission payable to the placing agent and other expenses incurred)	General working capital, repayment of the Group's indebtedness and for the Group's other potential investments in the future	Approximately 85% of the net proceeds was used for purchase of listed shares in Hong Kong; approximately 14% was used as the Group's general working capital (including staff costs, rental expenses, professional fees, promotional expenses and other operating expenses); and the remaining 1% was used for the repayment of loan interests and purchases of fixed assets

Save as disclosed above, the Company has not conducted any other fund raising activities in the past 18 months immediately preceding the date of this announcement.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the (a) manufacture and sale of a broad range of printed circuit boards, (b) carrying out of treasury investments, including investment in securities and other related activities, and (c) rendering of financial services including asset management, investment and other consultancy related services.

Starting from last year, the Group commenced its operation on asset management business by recruiting more headcounts on this field as well as investment banking and corporate finance experience and exposures. As at 30 June 2017, the Group had an aggregate amount of HK\$5 billion assets under management and had made a total contribution of HK\$440 million into this pool. In view of our asset management business is still in an infant stage, this business needs to be supported

with strong capital base. Occasionally, the Group has to contribute seed money into any of its newly set-up funds. The Board considers that it is an opportune moment for the Company to strengthen its financial position through the Rights Issue after having considered various fund raising methods. The Board considers that it is prudent to support the continuing development of the Group's current business activities, in particular, the asset management and financial service business, by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position at reasonable costs, but will also provide all Qualifying Shareholders the opportunity to participate in the future business development of the Group through the Rights Issue at a price lower than the current market price of the Shares.

It is estimated that the net proceeds of the Rights Issue will be approximately HK\$1,595.4 million (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the Completion), after deducting all necessary expenses for the Rights Issue, which include the relevant professional fees incurred by the Company. To strengthen the Group's financial position, the Company intends to apply the net proceeds from the Rights Issue as to (1) approximately 25% for the repayment of the existing indebtedness to a non-financial institution, which amounts to approximately HK\$406.3 million as at 30 June 2017; (2) approximately 70% to support and develop the Group's existing asset management businesses and the newly set up investment platform in Shenzhen, which amounts to approximately HK\$1,109.4 million. For the Group's existing asset management and financial service businesses in Hong Kong and in China, approximately two-thirds of such 70% of the net proceeds will be used as seed money for launching new funds in Hong Kong within the next 12 months and the remaining one-third will be used to finance the investment platform in Shenzhen; and (3) approximately 5% as general working capital of the Group and/or for future investment opportunities should suitable opportunities become available to the Group, which amounts to approximately HK\$79.7 million. As at the date of this announcement, the Group had not identified any specific acquisition target.

Based on the aforesaid and taking into account that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group, the Board (excluding the Independent Board Committee whose opinion will be set forth in the circular after having been advised by an independent financial adviser in this regard) considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the Rights Issue would increase neither the issued share capital nor the market capitalisation of the Company by more than 50%, the Rights Issue is not required to be conditional on approval by the Shareholders under Rule 7.19(6) of the Listing Rules. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both nil-paid and fully-paid forms.

As the Underwriter is a substantial shareholder of the Company and thus, a connected person of the Company, the entering into of the Underwriting Agreement by the Company constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.92(2) of the Listing Rules, as the Company has made arrangements for the Qualifying Shareholders to apply for the Rights Shares in excess of their entitlements under the Rights Issue in compliance with Rule 7.21(1) of the Listing Rules, the issue of the Rights Shares to the Underwriter under the Rights Issue is exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the underwriting commission payable by the Company to the Underwriter would be approximately HK\$9.7 million. As the highest percentage ratio in respect of the payment of the underwriting commission is more than 0.1% but less than 5%, such payment constitutes a connected transaction for the Company which is exempt from circular (including independent financial advice) and Independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Underwriter alone holds 340,192,667 Shares, representing approximately 23.24% of the total number of Shares in issue in the Company. The Underwriter and parties acting in concert with it (including Zhisheng) hold an aggregate of 510,290,000 Shares, representing approximately 34.86% of the total number of Shares in issue in the Company.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Underwritten Shares. Assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of the Rights Shares and excess Right Shares, the Underwriter will be required to take up all the Underwritten Shares and the aggregate shareholding interest held by the Underwriter alone, and the Underwriter together with parties acting in concert with it would increase to approximately 43.36% and 51.11% of the issued share capital of the Company as enlarged by the issue of the Rights Shares immediately after Completion, respectively. In such circumstances, the Underwriter and parties acting in concert with it would be required to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Underwriter and parties acting in concert with it) under Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is obtained from the Executive.

In this regard, the Underwriter will make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll in accordance with the Takeovers Code. The granting of the Whitewash Waiver is a condition precedent to the Underwriting Agreement which is not capable of being waived. If the Whitewash Waiver is not obtained from the Executive and/or approved by the Independent Shareholders, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed.

Pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, as the Underwriter and parties acting in concert with it (including Zhisheng) are interested in the Whitewash Waiver, they are required to abstain from voting on the resolution to be proposed at the SGM in relation to (i) the Rights Issue, (ii) the Underwriting Agreement and the transactions contemplated thereunder, and (iii) the Whitewash Waiver.

As at the date of this announcement, the Company does not believe that the Rights Issue will give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavor to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue does not comply with other applicable rules and regulations.

DEALINGS OF THE SHARES BY THE UNDERWRITER, ZHISHENG AND THEIR CONCERT PARTIES

As confirmed by the Underwriter, neither the Underwriter, Zhisheng nor any of the parties acting in concert with any of it in the six months prior to the date of this announcement have acquired any voting rights of the Company or dealt in any of the Shares.

GENERAL

The SGM will be convened and held to consider and, if appropriate, approve the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver.

The voting in respect of the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver will be conducted by way of a poll. The Underwriter and their respective associates, and those who has material interest in the Rights Issue and the Underwriting Agreement shall abstain from voting on the resolutions approving the Rights Issue and the Underwriting Agreement, and the Underwriter, Zhisheng and parties acting in concert or presumed to be acting in concert with any of them, and those who is/are involved in or interested in the Whitewash Waiver shall abstain from voting on the resolution approving the Whitewash Waiver.

The Company's register of members will be closed from Tuesday, 3 October 2017 to Wednesday, 11 October 2017, both dates inclusive, for the purpose of, among other things, establishing entitlements to attend and vote at the SGM. No transfer of Shares will be registered during this period. In order to qualify for attending and voting at the SGM, Shareholders must lodge any transfers of the Shares (together with the relevant Share certificates) with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 29 September 2017.

The Independent Board Committee comprising all non-executive and independent non-executive Directors, namely Mr. Mao Yumin, Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and how to vote on the proposed resolution(s) in respect thereof in the SGM. The appointment of TC Capital International Limited as the independent financial adviser of the Company has been approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Circular containing, among other matters, (i) details of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (iv) financial information of the Group; (v) details of the Increase of Authorised Share Capital; (vi) other information as required under the Listing Rules and the Takeovers Code; and (vii) a notice convening the SGM, is expected to be despatched to the Shareholders on or around Thursday, 21 September 2017.

The Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable after the approval of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver by the Independent Shareholders at the SGM and the Prospectus will be despatched to the Excluded Shareholders for information purposes only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, among other things, approval by the Independent Shareholders at the SGM and the obligations of the Underwriter under the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Friday, 13 October 2017 and that dealings in the Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be on Thursday, 9 November 2017), and any dealings in the Rights Shares in their nil-paid form from Thursday, 26 October 2017 to Friday, 3 November 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating dealing in the securities of the Company are recommended to consult their own professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day, not being a Saturday, Sunday or public holiday, on which banks are open for business (including for dealings in foreign currency deposits and exchange) in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Tian Yuan”	China Tian Yuan Manganese Limited (中國天元錳業有限公司), a company incorporated in the Cayman Islands and wholly-owned by Ningxia Tian Yuan Manganese Industry Co., Ltd.* (寧夏天元錳業有限公司), which is in turn owned as to 99.62% by Mr. Jia, 0.19% by Ms. Dong Jufeng (東菊鳳) and Ms. Zhu Fenglian (朱鳳蓮), respectively
“Circular”	a circular to be issued by the Company containing, among other matters, (i) details of the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver; (iv) financial information of the Group; (v) details of the Increase of Authorised Share Capital of the Company; and (vi) other information as required under the Listing Rules and the Takeovers Code; and (vi) a notice convening the SGM

* *For identification purpose only*

“Company”	China HKBridge Holdings Limited (stock code: 2323), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Rights Issue
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Excluded Shareholders”	the Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares, on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his/her delegate(s)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all the non-executive and independent non-executive Directors, namely Mr. Mao Yumin, Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence, which has been established to advise the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver and as to voting

“Independent Shareholders”	Shareholders other than Mr. Liu Tingan, China Tian Yuan, the Underwriter, Zhisheng and their respective associates and parties acting in concert with any of them and those who is/are involved in or interested in the Rights Issue, the Underwriting Agreement and the Whitewash Waiver
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) the Company or its connected persons
“Irrevocable Undertakings”	the irrevocable undertakings dated 31 August 2017 given by each of the Underwriter, Mr. Sun, China Tian Yuan and Mr. Jia in favor of the Company, details of which are set out in the paragraph headed “Underwriting Agreement — Irrevocable Undertakings” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Last Trading Day”	31 August 2017, being the date of the Underwriting Agreement and the last trading day of the Shares before the release of this announcement
“Latest Acceptance Time”	4:00 p.m. on Wednesday, 8 November 2017, or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares
“Latest Termination Time”	4:00 p.m. on Thursday, 9 November 2017, being the first Business Day after the Latest Acceptance Time, or such later time as may be agreed between the Company and the Underwriter in writing
“Mr. Jia”	Mr. Jia Tianjiang (賈天將), who holds 99.62% of the issued share capital of Ningxia Tian Yuan Manganese Co., Ltd.* (寧夏天元錳業有限公司), which in turn wholly owns China Tian Yuan
“Mr. Sun”	Mr. Sun Mingwen (孫明文), the sole shareholder of the Underwriter and the brother-in-law of Ms. He
“Ms. He”	Ms. He Yeqin (賀葉芹), the sole shareholder of Zhisheng and the sister-in-law of Mr. Sun
“Outstanding Share Awards”	the outstanding awards to Mr. Liu Tingan, an executive Director, of up to 48,000,000 new Shares pursuant to the Share Award Scheme

“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Shareholders in relation to the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Tuesday, 24 October 2017, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 23 October 2017, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	a total of 732,000,000 Share(s) to be allotted and issued under the Rights Issue (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date)
“SGM”	the special general meeting of the Company to be convened and held to consider and approve, among other things, (i) the Increase in Authorised Share Capital; (ii) the Rights Issue; (iii) the Underwriting Agreement and the transactions contemplated thereunder; and (iv) the Whitewash Waiver

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 17 May 2016, brief details of which are set out in the Company’s circulars dated 5 July 2016 and 30 September 2016, respectively
“Shareholder(s)”	shareholder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$2.2 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Underwriter”	Youfu Investment Co., Ltd, a company incorporated in the BVI and which is wholly-owned by Mr. Sun (the brother-in-law of Ms. He)
“Underwriting Agreement”	the underwriting agreement dated 31 August 2017 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	441,903,667 Rights Shares, being the total number of Rights Shares less a total of 290,096,333 Rights Shares to be taken up by the Underwriter and China Tian Yuan pursuant to the Irrevocable Undertakings
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it as a result of the subscription of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement
“Zhisheng”	Zhisheng Enterprise Investment Co. Ltd., a company incorporated in the BVI and is wholly-owned by Ms. He Yeqin (the sister-in-law of Mr. Sun)

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

“%” per cent.

By order of the Board of
China HKBridge Holdings Limited
Liu Tingan
Chairman and Chief Executive Officer

Hong Kong, 31 August 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Tingan, and Mr. Cheok Ho Fung, being executive Directors; and Mr. Mao Yumin, being non-executive Director; and Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence being independent non-executive Directors.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading