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中國港橋控股有限公司

China HKBridge Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
GRANT OF CALL OPTION**

The Board is pleased to announce that on 8 December 2017 after the trading hours, Digital King, a wholly-owned subsidiary of the Company, and the Optionholder entered into the Call Option Agreement, pursuant to which Digital King has granted the Call Option to the Optionholder at a premium of HK\$32,300,000. The Call Option is exercisable at the Call Option Exercise Date by serving the Call Option Notice to purchase the Option Interest at the Call Option Exercise Price.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Call Option are more than 5% but less than 25%, the granting of the Call Option (the exercise of which is not at the discretion of the Company) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

CALL OPTION

Digital King, a wholly-owned subsidiary of the Company, has granted to the Optionholder the Call Option, pursuant to which the Optionholder has the right to purchase from Digital King, and to require Digital King to sell, the whole (but not part) of the Option Interest at the Call Option Exercise Price by giving the Call Option Notice.

Date

8 December 2017 (after trading hours)

Parties

Grantor : Digital King

Grantee : The Optionholder

Company : The Company

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Optionholder is a third party independent of, and not connected with, the Company and its connected person(s) (within the meaning of the Listing Rules)

Subject Matter

The Option Interest represents the Interest subscribed by Hong Kong Bridge pursuant to the Subscription Agreement as referred to in the announcement of the Company dated 23 December 2016, together with all rights and obligations attached to and return accrued to the Interest from the date of the Call Option Agreement. The Interest was transferred to Digital King on 31 May 2017. As at the date of this announcement, the Interest is constituted by the Capital Contribution.

Call Option Exercise Date

The Call Option may be exercised by the Optionholder at the Call Option Exercise Date by giving the Call Option Notice. If the Optionholder exercises the Call Option, Digital King shall transfer the Option Interest to the Optionholder on the Call Option Exercise Date.

If the Call Option is not exercised by the Optionholder on the Call Option Exercise Date, the Call Option shall lapse on the expiry of the Call Option Exercise Date and all the rights and interests of the Optionholder under the Call Option Agreement shall also cease and determine and no party to the Call Option Agreement shall have any rights or liabilities to each other save for any antecedent breach.

Consideration

A premium of HK\$32,300,000 will be paid by the Optionholder to Digital King within 15 business days after the signing of the Call Option Agreement. The Call Option Exercise Price of HK\$356,150,000 is payable by the Optionholder in cash on the Completion Date.

In the event the Call Option is exercised (the exercise of which is at the discretion of the Optionholder), the aggregate consideration payable by the Optionholder will be HK\$388,450,000, being the sum of the premium of HK\$32,300,000 and the Call Option Exercise Price of HK\$356,150,000. The proceeds from the grant of the Call Option will be used for general working capital.

The consideration was determined after arm's length negotiation with an aim of generating a minimum expected return of 14% from the Interest.

THE COMPANY'S UNDERTAKING

China HKBridge, being the sole legal and beneficial owner of Digital King, unconditionally and irrevocably undertakes to the Optionholder that, at any time during the existence of the Call Option Agreement:

- (i) it shall not dispose of or otherwise create any Encumbrance on, the shares of Digital King; and
- (ii) it shall be the sole legal and beneficial owner, either direct or indirect, of the entire issued shares of Digital King.

REASONS FOR AND BENEFITS OF GRANT OF THE CALL OPTION

The Group is principally engaged in (a) the manufacture and sales of a broad range of printed circuit boards, (b) the carrying out of treasury investments including investment in securities and other related activities, and (c) the provision of financial services including asset management, investment and other consultancy related services. The Group subscribed for Interest for investment purposes with an aim to profit from the increase in the value of the investment portfolio held by the Fund.

The investment portfolio held by the Fund is constituted by securities which are subject to market volatility. Digital King was informed by the Fund that as at 31 October 2017, the Interest has not generated any positive return, and it could be possible that the Interest could suffer from a loss by the Call Option Exercise Date, given the volatility of the stock market. The Call Option, if exercised, provides the Group with an opportunity to lock a return on the Interest of approximately 14%. If the Call Option is not exercised, the HK\$32,300,000 premium still represents a return on the Interest of approximately 9.5%. Hence, the grant of the Call Option, whether exercised or not, could allow the Group to hedge against a possible fall in the value of the Option Interest.

In light of the above, the Directors consider that the transaction under the Call Option Agreement is on normal commercial terms and that the terms of the Call Option Agreement are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Call Option are more than 5% but less than 25%, the granting of the Call Option constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Under Rule 14.74 of the Listing Rules, the granting of the Call Option (the exercise of which is not at the discretion of the Company) shall be treated as if the Call Option had been exercised. Both the Call Option Exercise Price and the premium of the Call Option have been taken into account for the purpose of determining the applicable percentage ratios under the Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the words and expressions below shall have the following meanings when used herein:

“Board”	the board of Directors
“Call Option”	the rights of the Optionholder to purchase from Digital King, and to require Digital King to sell, the Option Interest pursuant to the terms of the Call Option Agreement
“Call Option Agreement”	an agreement dated 8 December 2017 between Digital King and the Optionholder relating to the granting of the Call Option to the Optionholder
“Call Option Exercise Date”	31 March 2018, being the date on which the Optionholder exercises the Call Option to purchase the Option Interest
“Call Option Exercise Price”	the sum of HK\$356,150,000 at which Digital King will sell the Option Interest to the Purchaser following exercise of the Call Option
“Call Option Notice”	a notice in writing to be given by the Optionholder no later than five (5) business days prior to the Call Option Exercise Date informing Digital King of the exercise of the Call Option
“Capital Contribution”	capital contribution of HK\$340,000,000 made by Hong Kong Bridge to the Fund in respect of the Interest
“Company”	China HKBridge Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion Date”	the date on which the transfer of the Option Interest is completed, which should be 31 March 2018, or such other date as may be agreed between Digital King and the Optionholder

“Director(s)”	the director(s) of the Company
“Digital King”	Digital King Investments Limited, a limited liability company established under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Encumbrance”	includes any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title creation, right of set-off or counterclaim, equities, and adverse claims, or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase, third-party right or security interest of any kind, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement, arrangement or obligation to create any of the foregoing
“Fund”	Huarong International Fortune Innovation Limited Partnership, an exempted limited partnership in the Cayman Islands established in accordance with the Exempted Limited Partnership Law (as amended) of the Cayman Islands
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Bridge”	Hong Kong Bridge Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Interest”	interest in the Fund subscribed by Hong Kong Bridge on 23 December 2016 and subsequently transferred to Digital King on 31 May 2017
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Optionholder”	Eastern Result International Limited, a company incorporated in the British Virgin Islands with limited liability

“Option Interest” Interest as constituted by the Capital Contribution, which was paid by the Group on 10 April 2017, together with all rights and obligations attached, and return accrued, to the Interest from the date of the Call Option Agreement

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 8 December 2017

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