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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:
SUBSCRIPTION OF PROMISSORY NOTE AND ADVANCE TO AN ENTITY**

SUBSCRIPTION OF PROMISSORY NOTE AND ADVANCE TO AN ENTITY

The Board is pleased to announce that on 12 December 2017 (after trading hours), the Subscriber entered into the Subscription Agreement with the Issuer for the subscription of the Promissory Note with a principal amount of HK\$900 million which carries an interest rate of 9% per annum and will mature on 11 March 2018 (i.e. the date falling upon the expiry of 90 days from the issue date of the Promissory Note). The Closing Conditions shall be fulfilled on or before the Long Stop Date (i.e. 12 December 2017).

Pursuant to the Subscription Agreement, the Promissory Note was issued by the Issuer to the Holder on the same day and it is secured by the Listco Share Charge, the Issuer Share Charge and the Guarantee.

FUNDING OF THE SUBSCRIPTION, AND REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SUBSCRIPTION AGREEMENT

The subscription of the Promissory Note will be financed by part of the net proceeds from the Rights Issue of the Company which completed on 28 November 2017.

As disclosed in the Prospectus, approximately 70% of the net proceeds of the Rights Issue was intended to be used to support and develop the Group's existing asset management businesses and the Shenzhen Platform, which amounts to approximately HK\$1,116.78 million. As more time is needed for the preparation and launching of the new funds and the increase of paid-up capital and development of the Shenzhen Platform, in order to make use of the Rights Issue Proceeds more efficiently, the Directors consider that it is beneficial for the Company to use the Rights Issue Proceeds for short term investment through the subscription of the Promissory Note to generate return to the Company, while pending the actual application of the Rights Issue Proceeds for the intended purposes as disclosed in the Prospectus.

The Directors consider that the Promissory Note and the Subscription Agreement are on normal commercial terms entered into based on the Group's credit assessment towards the Issuer. Taking into account the securities and guarantee provided by the Issuer and/or the Guarantor and the expected return to be generated from the Promissory Note, the Directors consider that the terms of the Subscription Agreement and the Promissory Note are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the subscription of the Promissory Note are more than 5% but less than 25%, the subscription of the Promissory Note constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules. As the Principal exceeds 8% under the assets ratio as calculated under Rule 14.07(1) of the Listing Rules, the subscription of the Promissory Note is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

SUBSCRIPTION OF PROMISSORY NOTE AND ADVANCE TO AN ENTITY

The Board is pleased to announce that on 12 December 2017 (after trading hours), the Subscriber and the Issuer entered into the Subscription Agreement pursuant to which the Issuer shall at closing issue, and the Subscriber has agreed to subscribe for, the Promissory Note.

The Subscription Agreement

The principal terms and conditions of the Subscription Agreement are set out below.

- Date : 12 December 2017
- Parties : (a) The Subscriber, an indirect wholly-owned subsidiary of the Company; and
(b) the Issuer.
- Subscription Price : HK\$900 million, being the principal amount of the Promissory Note
- Securities for the performance of the Secured Obligations : (a) the share charge over the 98,181,450 shares in Bank of Jinzhou Co. Ltd. (錦州銀行股份有限公司) (a joint stock company incorporated in the PRC with limited liability and whose H shares are listed on the Stock Exchange (stock code: 416)) beneficially owned by the Issuer in favour of the Subscriber (the "**Listco Share Charge**"); and
(b) the charge over the entire issued share capital in the Issuer (the "**Issuer Share Charge**")

- Guarantee : Guarantee given by Mr. You (as guarantor) in favour of the Subscriber guaranteeing the performance of the Secured Obligations (the “**Guarantee**”)
- Closing date : 12 December 2017 (or such other date as agreed by the parties in writing)
- Long stop date (the “**Long Stop Date**”) : 12 December 2017 (or such other date as agreed by the parties in writing)
- Closing conditions (the “**Closing Conditions**”) : The following conditions shall be fulfilled (or waived by the Subscriber, as the case may be) on or before the Long Stop Date:
- (a) the Subscriber having carried out and completed the legal and financial due diligence review and being satisfied with the results in all respects and written notice to that effect having been given to the Issuer;
 - (b) the Subscriber having received certain documents and materials, including but not limited to (i) certain documents in relation to each Obligor; and (ii) each of the Transaction Documents duly executed by the parties thereto (other than the Subscriber) together with all other required documents;
 - (c) the Subscriber having received from the custodian written confirmation that not less than 98,181,450 shares in Bank of Jinzhou Co. Ltd. beneficially owned by the Issuer have been deposited into the designated securities trading account opened by the Issuer;
 - (d) the Subscriber being satisfied that all necessary corporate authorizations and approvals having been obtained to enable each Obligor to enter into the Subscription Agreement and each of the Transaction Agreements and to perform their obligations thereunder;
 - (e) the Subscriber being satisfied that all authorizations, consents and approvals (which are required on the part an Obligor) from any relevant authority or any other person required for or in connection with the issue of the Promissory Note, the execution, delivery or performance by each Obligor of the Transaction Documents or the consummation of the transactions contemplated thereby have been obtained and all official requirements and all necessary filings, registrations and other formalities (which are required on the part of an Obligor) with any relevant authority have been complied with, effected and completed in order to ensure that all the Transaction Documents are valid and enforceable; and

- (f) as at the fulfilment or waiver of the last in time to be fulfilled of the Closing Conditions (other than this condition), the Subscriber being satisfied that (i) none of the warranties under the Transaction Documents having been breached or is misleading or untrue in any respect; (ii) there having been no breach by the Issuer of any of the terms of the Subscription Agreement; and (iii) there having been no material adverse change as set out in the Subscription Agreement

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Issuer and its ultimate beneficial owner is an Independent Third Party and is not connected with the Group.

The Promissory Note

Pursuant to the Subscription Agreement, on 12 December 2017, the Issuer issued to the Holder the Promissory Note on the following principal terms:

- Principal amount : HK\$900 million
 (“**Principal**”)
- Maturity date : 11 March 2018, being the date falling upon the expiry of 90 days
 (“**Maturity Date**”) from the date of issue of the Promissory Note (i.e. 12 December 2017) (the “**Issue Date**”)
- Interest rate and default : accrues on and from the Issue Date at a rate of 9% per annum on the
 interest rate outstanding Principal on the basis of actual number of days elapsed and a 365-day year, due and payable on the Maturity Date (or earlier date as specified by the Holder)

If any amount due is not paid on the due date, the Issuer shall pay interest on the overdue sum from the due date to the actual date of payment at 11% per annum

- Status of the Promissory : The Promissory Note will constitute direct, general, unconditional,
 Note unsubordinated and secured obligations of the Issuer and payment obligations of the Issuer shall at all times rank at least equally with all of its other present and future direct, general, unconditional and unsubordinated obligations and at all times rank senior to all of its present and future subordinated obligations

- Transferability : The Promissory Note may be assigned or transferred by the Holder to (i) any of its affiliates without any approval from the Issuer; (ii) any person without any approval from the Issuer at any time after the occurrence of a default; or (iii) any person with prior approval from the Issuer (which approval shall not be unreasonably withheld or delayed), in respect of the whole or any part of the outstanding Principal
- Repayment and redemption : The Issuer shall repay the Promissory Note on the Maturity Date the entire outstanding Principal together with accrued but unpaid interest from and including the Issue Date up to the Maturity Date
- The Issuer shall redeem the Promissory Note in full on the date specified in the redemption notice following the occurrence of an event of default at the redemption amount which is equal to 100% of the outstanding Principal together with accrued but unpaid interest from and including the Issue Date up to the redemption date
- Use of proceeds : The Issuer covenants that it will procure that the net proceeds arising from the issue of the Promissory Note shall be applied for the purpose financing the general corporate funding requirements of the Issuer

INFORMATION ON THE GROUP

The Group is now principally engaged in (i) the manufacture and sales of a broad range of printed circuited boards; (ii) the carrying out of treasury investments business including investment in securities and other related activities; and (iii) the rendering of financial services including asset management, investment and other consultancy related services.

The Subscriber is principally engaged in investment holding.

The Issuer is principally engaged in international trading and investment.

FUNDING OF THE SUBSCRIPTION, AND REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SUBSCRIPTION AGREEMENT

The subscription of the Promissory Note will be financed by part of the net proceeds from the issue of rights shares at HK\$2.2 each by the Company (the “**Rights Issue**”) which completed on 28 November 2017.

As disclosed in the Company's prospectus dated 3 November 2017 (the "**Prospectus**") in relation to the Rights Issue, approximately 70% of the net proceeds of the Rights Issue ("**Rights Issue Proceeds**") was intended to be used to support and develop the Group's existing asset management businesses and the investment platform in Shenzhen (the "**Shenzhen Platform**"), which amounts to approximately HK\$1,116.78 million. 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 initial paid-up capital and future development of the Shenzhen Platform.

As more time is needed for the preparation and launching of the new funds and the increase of paid-up capital and development of the Shenzhen Platform, in order to make use of the Rights Issue Proceeds more efficiently, the Directors consider that it is beneficial for the Company to use the Rights Issue Proceeds for short term investment through the subscription of the Promissory Note to generate return to the Company, while pending the actual application of the Rights Issue Proceeds for the intended purposes as disclosed in the Prospectus.

The terms and conditions of the Subscription Agreement and the Promissory Note (including the Principal and the interest rate) are negotiated on an arm's length basis between the Subscriber and the Issuer with reference to the prevailing market practice as well as the credit assessment towards the Issuer. The Directors consider that the Promissory Note and the Subscription Agreement are on normal commercial terms entered into based on the Group's credit assessment towards the Issuer. Taking into account the securities and guarantee provided by the Issuer and/or the Guarantor and the expected return to be generated from the Promissory Note, the Directors consider that the terms of the Subscription Agreement and the Promissory Note are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The subscription of the Promissory Note constitutes a financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the subscription of the Promissory Note are more than 5% but less than 25%, the subscription of the Promissory Note constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 14 of the Listing Rules. As the Principal exceeds 8% under the assets ratio as calculated under Rule 14.07(1) of the Listing Rules, the subscription of the Promissory Note is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons
“Issuer”	Ascend Trade Limited (艾昇貿易有限公司), a company incorporated in the BVI and is wholly-owned by Mr. You
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. You” or “Guarantor”	Mr. You Wenpeng (尤文鵬), the sole shareholder of the Issuer
“Obligors”	the Issuer, the Guarantor and any other person (excluding the Subscriber) which is a party to any of the Transaction Documents
“PRC”	People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Promissory Note”	the 9% secured promissory note in the principal amount of HK\$900 million to be issued by the Issuer pursuant to the Subscription Agreement

“Secured Obligations”	all and any sums which are or at any time may become payable by the Obligors to the Subscriber under the Promissory Note and all obligations of the Obligors under the Transaction Documents
“Security Documents”	the security documents in relation to the Guarantee, the Listco Share Charge and the Issuer Share Charge and all other relevant documents granted for the full repayment of the Promissory Note and the discharge of the Secured Obligations
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “Holder”	Wealthy Trench Limited, an indirect wholly-owned subsidiary of the Company
“Transaction Documents”	the legally binding documents to be entered into by the relevant parties in respect of the subscription of the Promissory Note, namely the Subscription Agreement, the Promissory Note, the Security Documents and all other required documents
“%”	per cent

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

Hong Kong, 12 December 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.