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## **SINO PROSPER (GROUP) HOLDINGS LIMITED**

**中盈（集團）控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 766)**

**(1) PLACING OF EXISTING SHARES**  
**(2) TOP-UP SUBSCRIPTION OF NEW SHARES**  
**UNDER GENERAL MANDATE**  
**AND**  
**(3) RESUMPTION OF TRADING**

**Placing Agent**



**雅利多證券**  
**ARISTO SECURITIES LIMITED**

On 3 August 2016 (after trading hours), (i) the Vendor and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to act as agent for the Vendor to place, on a best effort basis, and the Vendor has agreed to sell, a total of up to 226,200,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Company and its associates and connected persons, at the Placing Price of HK\$0.168 per Placing Share; and (ii) the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor has agreed to subscribe for up to 226,200,000 Subscription Shares at the Subscription Price of HK\$0.168 per Subscription Share.

The 226,200,000 Placing Shares represent (i) approximately 19.998% of the existing issued share capital of the Company of 1,131,087,497 Shares as at the date of this announcement; and (ii) approximately 16.666% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The Subscription is conditional upon (i) completion of the Placing; (ii) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares; and (iii) if necessary, granting of approval by any relevant regulatory authority in relation to the allotment and issue of the Subscription Shares.

The gross proceeds from the Subscription will be up to a maximum of approximately HK\$38.0 million. The maximum net proceeds from the Subscription will amount to approximately HK\$36.4 million, which is intended to be used for general working capital of the Group and funding investment opportunities as may be identified from time to time. The net price raised per Share upon the completion of the Placing will be approximately HK\$0.161 per Share.

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Thursday, 4 August 2016 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Friday, 5 August 2016.

## **THE PLACING AGREEMENT**

### **Date**

3 August 2016 (after trading hours)

### **Parties involved**

- (1) the Vendor; and
- (2) the Placing Agent.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

### **The Vendor**

As at the date of this announcement, the Vendor is interested in 328,333,300 Shares, representing approximately 29.03% of the existing share capital of the Company.

### **Placing**

The Placing Agent has agreed to act as agent to the Vendor to place, on a best effort basis, the Placing Shares at the Placing Price and will receive a placing commission of 4% of the amount equal to the Placing Price multiplied by the number of the Placing Shares. The placing commission was arrived at after arm's length negotiation between the Vendor and the Placing Agent.

Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent, a total of up to 226,200,000 Placing Shares to the Placees at a price of HK\$0.168 per Placing Share.

Details of the Placing are set out below.

#### *Placee(s)*

The Placing Agent agreed to place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Company and its associates and connected persons. It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after the Placing. In the event any of the Placees becomes a substantial shareholder after completion of the Placing, further announcement will be made by the Company.

#### *Placing Shares*

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing and Subscription, the maximum number of 226,200,000 Placing Shares under the Placing represent (i) approximately 19.998% of the existing issued share capital of the Company of 1,131,087,497 Shares as at the date of this announcement; and (ii) approximately 16.666% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription. The aggregate nominal value of the 226,200,000 Placing Shares under the Placing is HK\$2,262,000.

#### *Rights of Placing Shares*

The Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid on or after the Placing Completion Date.

#### *Placing Price*

The Placing Price of HK\$0.168 represents:

- (i) a discount of approximately 13.85% to the closing price of HK\$0.195 as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 14.11% to the average closing price of approximately HK\$0.1956 in the last 5 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Vendor, the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

### *Placing commission and expenses*

The Placing Agent will receive a placing commission of 4% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent. The placing commission is arrived at after arm's length negotiation among the Vendor, the Placing Agent and the Company.

### *Termination*

The Placing Agent may, in their reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 9:00 a.m. on the Placing Completion Date if:

- A) there develops, occurs or comes into force:
- (1) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material adverse change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially adversely affect the success of the Placing; or
  - (2) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially adversely affect the success of the Placing; or
  - (3) any material adverse change in conditions of local, national or international securities markets occurs which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or
  - (4) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing agent's reasonable opinion any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
  - (5) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere and if in Placing Agent's reasonable opinion, any such change or development would materially adversely affect the success of the Placing; or

- (6) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or
- B) any material breach of any of the representations and warranties comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provision of the Placing Agreement; or
- C) there is any adverse change in the financial position of the Company which is material in the context of the Placing; or
- D) the trading of the Shares on the Stok Exchange has been suspended for more than five consecutive trading days save for temporary suspension in connection with the Placing and/or the Placing Agreement.

#### *Completion of the Placing*

Completion of the Placing is unconditional but the Placing Agreement is subject to the termination by the Placing Agreement upon the occurrence of certain events as stated above. The Placing is expected to be completed on the Placing Completion Date.

### **THE SUBSCRIPTION AGREEMENT**

#### **Date**

3 August 2016 (after trading hours)

#### **Parties involved**

- (1) the Vendor (as subscriber); and
- (2) the Company (as issuer)

Details of the Subscription are set out below.

#### *Subscription Shares*

The Subscriber has conditionally agreed to subscribe for a total of up to 226,200,000 Subscription Shares, representing, in aggregate, (i) approximately 19.998% of the existing issued share capital of the Company; and (ii) approximately 16.666% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The actual number of Subscription Shares will be the same as the number of the Placing Shares successfully placed under the Placing. The aggregate nominal value of the maximum of 226,200,000 Subscription Shares under the Subscription is HK\$2,262,000.

#### *Ranking of the Subscription Shares*

The Subscription Shares will rank, when fully paid, *pari passu* in all respects with the Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription.

#### *Subscription Price*

The Subscription Price:

- (i) represents a discount of approximately 13.85% to the closing price of HK\$0.195 as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) represents a discount of approximately 14.11% to the average closing price of approximately HK\$0.1956 in the last 5 trading days prior to the date of the Subscription Agreement; and
- (iii) is equal to the Placing Price.

The Subscription Price was arrived at after arm's length negotiations among the Vendor, the Company and the Placing Agent with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### *Conditions of the Subscription*

The Subscription is conditional upon:

1. completion of the Placing having occurred pursuant to the terms of the Placing Agreement;
2. listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
3. if necessary, granting of approval by any relevant regulatory authority in relation to the allotment and issue of the Subscription Shares.

### *Completion of the Subscription*

Completion of the Subscription will take place on the first Business Day following the fulfillment of all the conditions of the Subscription.

Under Rule 14A.92(4) of the Listing Rules, if the Subscription is to be completed after 18 August 2016 (being 14 days after the date of the Placing Agreement and the Subscription Agreement), it will constitute a connected transaction under the Listing Rules. As the Subscription is expected to be completed on or before 18 August 2016, it is expected it will be exempt from all of the connected transaction requirements under Chapter 14A of the Listing Rules.

The Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 226,217,499 Shares (representing 20% of the aggregate share capital of the Company in issue on that date). The 226,200,000 Subscription Shares to be allotted and issued will utilize approximately 99.99% of the General Mandate. As at the date of this announcement, the Company has not utilized any of the General Mandate.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Directors consider the Placing represents an opportunity for the Company to raise capital while broadening its shareholder base as well as its capital base.

The aggregate gross and net proceeds from the Placing will be approximately HK\$38.0 million and HK\$36.4 million, respectively. The Company intends to utilize the net proceeds from the Placing for general working capital of the Group and funding investment opportunities as may be identified from time to time. The net price raised per Share upon the completion of the Placing will be approximately HK\$0.161 per Share.

The Directors consider that the terms and conditions of the Placing Agreement and Subscription Agreement are fair and reasonable and are on normal commercial terms and the Placing and Subscription are in interest of the Company and the Shareholders as a whole.

**Completion of the Placing and the Subscription is subject to the satisfaction of the conditions precedent in the Placing Agreement and the Subscription Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities for the twelve months immediately prior to the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing and the Subscription are set out as below:

	As at the date of this announcement		Immediately after the Placing but before the Subscription		Immediately after the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Vendor	328,333,300	29.028	102,133,300	9.030	328,333,300	24.190
Wong Li Fong	15,000	0.001	15,000	0.001	15,000	0.001
The Placees	-	-	226,200,000	19.998	226,200,000	16.666
Other public shareholders	802,739,197	70.971	802,739,197	70.971	802,739,197	59.143
<b>Total</b>	<b>1,131,087,497</b>	<b>100.000</b>	<b>1,131,087,497</b>	<b>100.000</b>	<b>1,357,287,497</b>	<b>100.000</b>

## GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Thursday, 4 August 2016 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Friday, 5 August 2016.

## TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 1 September 2015
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for securities dealings



“Company”	Sino Prosper (Group) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates (including the Placing Agent itself) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Aristo Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement entered into between the Vendor and the Placing Agent dated 3 August 2016 (after trading hours) in relation to the Placing
“Placing Completion Date”	two Business Days immediately after the date of the Placing Agreement, or such other date agreed between the Vendor and the Placing Agent
“Placing Price”	HK\$0.168 per Placing Share

“Placing Shares”	a total of up to 226,200,000 existing Shares, all beneficially owned by the Vendor as at the date of this announcement, to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor at the Subscription Price pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Vendor and the Company dated 3 August 2016 (after trading hours) in relation to the Subscription
“Subscription Price”	HK\$0.168 per Subscription Share
“Subscription Shares”	a total of up to 226,200,000 new Shares to be allotted and issued by the Company to the Vendor pursuant to the Subscription Agreement
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Vendor”	Mr. Leung Ngai Man, the chairman and an executive Director of the Company and the beneficial owner of 328,333,300 Shares as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Sino Prosper (Group) Holdings Limited**  
**Leung Ngai Man**  
*Chairman and Executive Director*

Hong Kong, 4 August 2016

*As at the date of this announcement, the executive Directors of the Company are Mr. Leung Ngai Man and Ms. Wong Li Fong; and the independent non-executive Directors of the Company are Ms. Xuan Hong, Mr. Cai Wei Lun and Mr. Zhang Qingkui.*