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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CHINA SILVER SECURITIES LIMITED**

#### **THE AGREEMENT**

The Board is pleased to announce that, on 26 August 2016 (after trading hours), the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Purchase Price of HK\$18.0 million.

Upon the signing of the Agreement, the Purchaser has paid the Deposit in the total sum of HK\$23.0 million to the Vendor, of which (i) as to HK\$5.0 million, being the NSL Portion, shall be applied to the Target Company as the New Shareholder Loan for its working capital and other operating expenses by the Vendor within five (5) Business Days from the date of the Purchaser's payment of the Deposit to the Vendor; and (ii) as to the remaining balance of HK\$18.0 million, which is equivalent to the Purchase Price, shall be kept by the Vendor. Subject to and upon Completion, (i) the Vendor shall assign the New Shareholder Loan to the Purchaser and in consideration of such assignment, the Vendor's repayment obligations of the NSL Portion to the Purchaser shall be discharged; (ii) the Vendor shall waive and release the Target Company from all liabilities owing to the Vendor (other than the New Shareholder Loan which shall be assigned by the Vendor to the Purchaser as aforesaid); and (iii) the portion of the Deposit as equivalent to the Purchase Price shall be treated as payment of the Purchase Price.

## **IMPLICATIONS OF THE LISTING RULES**

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempted from the shareholder's approval requirement under Chapter 14 of the Listing Rules.

### **WARNING**

**Completion is subject to the fulfillment (or waiver, as maybe applicable) of the conditions under the Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealings in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that, on 26 August 2016 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Purchase Price of HK\$18.0 million.

The principal terms of the Agreement are summarised as follows:

## **THE AGREEMENT**

### **Date**

26 August 2016

### **Parties**

Purchaser: SP Financial Group Holdings Limited

Vendor: China Silver Financial Group Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party and is an indirect wholly-owned subsidiary of China Silver Group Limited, a company incorporated in the Cayman Islands whose issued shares are listed on the main board of the Stock Exchange (stock code: 815).

The Purchaser is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

### **Purchase Price**

The Purchase Price for the Sale Shares shall be HK\$18.0 million.

Upon the signing of the Agreement, the Purchaser has paid the Deposit in the total sum of HK\$23.0 million to the Vendor, of which (i) as to HK\$5.0 million, being the NSL Portion, shall be applied to the Target Company as the New Shareholder Loan for its working capital and other operating expenses by the Vendor within five (5) Business Days from the date of the Purchaser's payment of the Deposit to the Vendor; and (ii) as to the remaining balance of HK\$18.0 million, which is equivalent to the Purchase Price, shall be kept to the Vendor.

Subject to and upon Completion, (i) the Vendor shall assign the New Shareholder Loan, and the Purchaser shall accept the assignment of all the Vendor's title, right, benefit and interest to, of and in such New Shareholder Loan absolutely free from all encumbrances and in consideration of such assignment, the Vendor's repayment obligations of the NSL Portion to the Purchaser shall be discharged absolutely; (ii) the Vendor shall waive and release the Target Company from all liabilities owing to the Vendor (other than the New Shareholder Loan which shall be assigned by the Vendor to the Purchaser as aforesaid); and (iii) the portion of the Deposit as equivalent to the Purchase Price shall be treated as payment of the Purchase Price.

The Purchase Price was determined after arm's length negotiations between the Purchaser and the Vendor, with reference to the (i) unaudited net asset value of the Target Company as at 31 July 2016; and (ii) a premium with reference to other comparable offers in the market.

The Group financed the Purchase Price and the NSL Portion (which is to be applied to the Target Company as New Shareholder Loan for its working capital and other operating expenses in accordance with the terms of the Agreement) in the total sum of HK\$23.0 million by the net proceed from the subscription completed on 16 August 2016. Please refer to the announcements of the Company dated 4 and 16 August 2016 for further details.

### **Conditions precedent**

Completion is conditional upon satisfaction or waiver (as the case may be) of the following conditions:

- (A) (where applicable) the compliance by the Company of (or, as the case may be, obtaining of waiver from) any requirements under the Listing Rules as may be applicable in connection with the Agreement and the transactions contemplated thereby;

- (B) (where applicable) the compliance by China Silver Group Limited (the parent company of the Vendor) of (or, as the case may be, obtaining of waiver from) any requirements under the Listing Rules as may be applicable in connection with the Agreement and the transactions contemplated thereby;
- (C) all requisite consents and approvals being granted by SFC under SFO to the Acquisition and/or as a result thereof, including without limitation, to the change in ultimate substantial shareholder of the Target Company and to the Purchaser and its beneficial owner(s) becoming the ultimate substantial shareholder of the Target Company;
- (D) (if necessary) all requisite consents and approvals being granted by the Stock Exchange and HKSCC to the Acquisition and/or as a result thereof, including without limitation, to the Purchaser and its beneficial owner(s) becoming the ultimate shareholder of the Target Company; and
- (E) the warranties given by the Vendor in the Agreement remaining true and accurate in all material respects and not misleading in any material respect.

Save and except that the Purchaser may waive in writing the condition precedent (E) as set out above, none of the above conditions precedent is capable of being waived by any party.

For the avoidance of doubt, the Vendor shall procure the Target Company (at the own cost of the Target Company) to prepare all the necessary application documents and to apply for, secure and obtain the consents and approvals from the SFC, the Stock Exchange and HKSCC in relation to the change in ultimate substantial shareholder of the Target Company and/or to the Purchaser and its beneficial owner(s) becoming the ultimate substantial shareholder of the Target Company.

The Purchaser shall have the right to unilaterally terminate the Agreement by a written notice anytime before the Long Stop Date if any of the SFC Licences has been revoked.

If any of the conditions precedent to Completion shall not have been fulfilled (or, as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date, the Agreement shall cease and terminate (save and except provisions in relation to the treatment of the Deposit, confidentiality, costs and expenses, miscellaneous matters, notices and governing law and jurisdiction which shall remain in full force and effect), and the Deposit paid to the Vendor by the Purchaser shall be treated in accordance with the manner as described below, and thereafter none of the parties under the Agreement shall have any obligations and liabilities thereunder save for any antecedent breaches.

If, following satisfaction or (where applicable) waiver of all the conditions precedent to Completion, the Purchaser fails to complete the Agreement otherwise than as a result of the default of the Vendor, the Deposit paid to the Vendor shall be forfeited as liquidated damages and the Purchaser shall have no further liability to the Vendor under the Agreement. On the other hand, if neither Completion nor the circumstances mentioned in the aforesaid occur, or if the Purchaser terminates the Agreement due to the revocation of any SFC licences of the Target Company, by no longer than ninety (90) days after the Long Stop Date or the date of termination of the Agreement (whichever is earlier), the Vendor shall refund to Purchaser a

sum equivalent to such amount as equal (i) the Deposit paid to the Vendor by the Purchaser, less (ii) the portion of the New Shareholder Loan which has been used to pay the working capital and other operating expense (including the application fees in relation to the SFC, the Stock Exchange and HKSCC consents and approvals as mentioned above) of the Target Company during the period between the date of the receipt of the New Shareholder Loan by the Target Company and the Long Stop Date or the date of termination of the Agreement (whichever is earlier).

### **Completion**

Subject to the satisfaction or (where applicable) waiver of all the conditions precedent to Completion, Completion shall take place on the Completion Date, being the third Business Day following the date on which the last condition precedent to Completion is fulfilled or such other date as the Vendor and the Purchaser may agree.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's financial statement.

### **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in Hong Kong with limited liability on 6 July 2015 with an issued and paid up share capital of HK\$10,000,000 divided into 10,000,000 ordinary shares. The Target Company is a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under SFO and is also an Exchange Participant and a HKSCC Participant. It is principally engaged in the business of securities dealings.

Set out below is a summary of key financial data of the Target Company for the period from 6 July 2015 (the date of its incorporation) up to 31 July 2016 as prepared in accordance with the Hong Kong Financial Reporting Standards:

	<b>For the period from 6 July 2015 (the date of its incorporation) up to 31 July 2016 <i>Approximate HK\$ (unaudited)</i></b>
Revenue	112,000
Net loss before/after taxation and extraordinary items	(6,672,000)
Net assets	9,628,000



“Agreement”	the conditional sale and purchase agreement dated 26 August 2016 and entered into by the Purchaser and the Vendor in respect of the Acquisition
“Board”	the board of Directors
“Business Day”	a day on which banks are open for normal banking business for a full day in Hong Kong, excluding Sundays and Saturdays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“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
“Completion”	completion of the Agreement in accordance with the provisions thereof
“Completion Date”	the third Business Day following the date on which the last condition precedent to Completion is fulfilled or such other date as the Purchaser and the Vendor may agree
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deposit”	the deposit in the total sum of HK\$23.0 million which has been paid by the Purchaser to the Vendor upon the signing of the Agreement pursuant to the terms thereof
“Director(s)”	the director(s) of the Company
“Exchange Participant”	has the meaning as ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Participant”	a participant who has been duly registered as a clearing participant of HKSCC
“Hong Kong”	Hong Kong Special Administrative Region of PRC

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2017 or such later date as the parties to the Agreement may agree in writing
“New Shareholder Loan”	Hong Kong Dollars five million (HK\$5,000,000), being the amount to be advanced by the Vendor to the Target Company for purpose of the Target Company meeting its working capital and other operating expenses in the manner provided under the Agreement
“NSL Portion”	the portion of the Deposit in the amount of HK\$5,000,000 which, pursuant to the Agreement, shall be applied to the Target Company as the New Shareholder Loan for its working capital and other operating expenses by the Vendor within five (5) Business Days from the date of the Purchaser’s payment of the Deposit to the Vendor
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	SP Financial Group Holdings Limited, an indirect wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Purchase Price”	Hong Kong Dollars eighteen million (HK\$18,000,000), being the Purchase Price for the Sale Shares payable by the Purchaser to the Vendor in the manner provided under the Agreement
“Sale Shares”	the entire issued ordinary share capital in the Target Company at Completion
“SFC”	the Securities and Futures Commission
“SFC Licences”	the licenses issued by SFC to the Target Company for the carrying out of type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under SFO
“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
“substantial shareholder”	has the meaning ascribed to it under the SFO
“Target Company”	China Silver Securities Limited, a company incorporated in Hong Kong with limited liability which is licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under SFO
“Vendor”	China Silver Financial Group Limited, an indirect wholly-owned subsidiary of China Silver Group Limited, a company incorporated under the laws of the Cayman Islands and whose issued shares are listed on the main board of the Stock Exchange (stock code: 815)
“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, 26 August 2016

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