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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; AND (2) TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Astrum Capital Management Limited

On 12 December 2017 (after trading hours), the Subscriber, the Company and the Placing Agent entered into the Placing and Subscription Agreement pursuant to which (i) the Placing Agent has agreed to act as agent for the Subscriber to place, on a best efforts basis, and the Subscriber has agreed to sell, a total of up to 279,544,039 Placing Shares to not less than six Placées 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 Subscriber, the Company and their respective associates and connected persons, at the Placing Price of HK\$0.105 per Placing Share; and (ii) the Subscriber has conditionally agreed to subscribe for up to 279,544,039 new Subscription Shares at the Subscription Price of HK\$0.105 per Subscription Share.

The Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company of 1,397,720,199 Shares as at the date of this announcement; and (ii) approximately 16.67% 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) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares; and (ii) completion of the Placing.

The gross proceeds from the Subscription will be up to a maximum of approximately HK\$29.35 million. The maximum net proceeds from the Subscription will amount to approximately HK\$28.91 million, which is intended to be used for general working capital of the Group. The net price raised per Share upon the completion of the Placing will be approximately HK\$0.103 per Share.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

12 December 2017 (after trading hours)

Parties involved

- (1) the Subscriber;
- (2) the Company; and
- (3) the Placing Agent.

As at the date of the Placing and Subscription Agreement, the Subscriber holds 398,536,002 Shares, representing approximately 28.51% of the existing issued share capital of the Company.

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 Subscriber, the Company and their respective connected persons.

Placing and Subscription

The Placing Agent has agreed to act as agent to the Subscriber to place, on a best efforts basis, the Placing Shares at the Placing Price and will receive a placing commission of 1.5% 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 Company, the Subscriber and the Placing Agent.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, a total of up to 279,544,039 Placing Shares to the Placees at a price of HK\$0.105 per Placing Share and the Subscriber will subscribe the Subscription Shares at a price of HK\$0.105 per Subscription Share.

Details of the Placing and the Subscription are set out below.

1. *Placing*

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 Subscriber, the Company and their respective 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 279,544,039 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 1,397,720,199 Shares as at the date of this announcement; and (ii) approximately 16.67% 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 Placing Shares under the Placing is HK\$2,795,440.39.

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 represents:

- (i) a discount of approximately 19.23% to the closing price of HK\$0.130 as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 17.32% to the average closing price of approximately HK\$0.127 in the last 5 trading days prior to the date of the Placing and Subscription 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 Subscriber, 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 Company will be responsible for the placing commission of 1.5% of the aggregate Placing Price of the Placing Shares, all Hong Kong stamp duty, brokerage, trading fee, transaction levy chargeable to the Subscriber in relation to the Placing, any and all fees payable to the Stock Exchange and SFC, and all charges, fees and expenses of the Company's branch share registrar in Hong Kong.

Termination

The Placing Agent may, in their reasonable opinion, after consultation with the Company, terminate the Placing and Subscription Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Placing Completion Date if:

- (1) there is any significant change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any material breach of the warranties, representations and undertakings given by the Company and/or the Subscriber in the Placing and Subscription Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Completion of the Placing

The Placing is expected to be completed on the Placing Completion Date.

2. Subscription

Subscription Shares

The Subscriber has conditionally agreed to subscribe for a total of up to 279,544,039 Subscription Shares, representing, in aggregate, (i) approximately 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% 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.

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 represents:

- (i) a discount of approximately 19.23% to the closing price of HK\$0.130 as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 17.32% to the average closing price of approximately HK\$0.127 in the last 5 trading days prior to the date of the Placing and Subscription Agreement; and
- (iii) is equal to the Placing Price.

The Subscription Price was arrived at after arm's length negotiations among the Subscriber, 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 Placing and 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. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such permission and listing not subsequently being revoked prior to the allotment and issue of the Subscription Shares); and
2. the completion of the Placing in accordance with the terms of the Placing and Subscription Agreement.

In the event that the conditions of the Subscription are not fulfilled in full on or before the 14th day after date of the Placing and Subscription Agreement, all rights, obligations and liabilities of the parties in relation to the Subscription shall cease and determine and none of the Company and the Subscriber shall have any claim against any other in respect of the Subscription save for rights and remedies accrued prior to such termination.

Completion of the Subscription

Completion of the Subscription will take place on the next 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 26 December 2017 (being 14 days after the date of the Placing and Subscription Agreement), it will constitute a connected transaction under the Listing Rules. As the Subscription is expected to be completed on or before 26 December 2017, it is exempt from all of the connected transaction requirements under Chapter 14A of the Listing Rules and is not subject to Shareholders' approval.

The Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 279,544,039 Shares (representing 20% of the aggregate number of issued Shares on that date). The 279,544,039 Subscription Shares to be allotted and issued will utilize 100% 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\$29.35 million and HK\$28.91 million, respectively. The Company intends to utilize the net proceeds from the Placing for general working capital of the Group. The net price raised per Share upon the completion of the Placing will be approximately HK\$0.103 per Share.

Completion of the Placing and the Subscription is subject to the satisfaction of the conditions precedent in the Placing and 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 Subscriber	398,536,002	28.51	118,991,963	8.51	398,536,002	23.76
Wong Li Fong	15,000	0.00	15,000	0.00	15,000	0.00
The Placees	-	-	279,544,039	20.00	279,544,039	16.67
Other public shareholders	999,169,197	71.49	999,169,197	71.49	999,169,197	59.57
Total	1,397,720,199	100.00	1,397,720,199	100.00	1,677,264,238	100.00

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.

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 28 September 2017
“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 total number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“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 (has the meaning ascribed to it in the Listing Rules)
“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 and Subscription Agreement
“Placing”	the placing of the Placing Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation under the SFO to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Placing and Subscription Agreement”	the conditional agreement entered into among the Subscriber, the Company and the Placing Agent dated 12 December 2017 (after trading hours) in relation to the Placing and the Subscription
“Placing Completion Date”	13 December 2017, or such other date as the Subscriber and the Placing Agent shall agree

“Placing Price”	HK\$0.105 per Placing Share
“Placing Shares”	a total of up to 279,544,039 existing Shares, all beneficially owned by the Subscriber as at the date of this announcement, to be placed pursuant to the Placing and Subscription Agreement
“PRC”	The People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“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
“Subscriber”	Mr. Leung Ngai Man, the chairman and an executive Director of the Company and the beneficial owner of 398,536,002 Shares as at the date of this announcement
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$0.105 per Subscription Share
“Subscription Shares”	a total of up to 279,544,039 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Placing and Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“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, 12 December 2017

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.