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CHONG KIN GROUP HOLDINGS LIMITED

創建集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1609)

**MAJOR TRANSACTION
ACQUISITION OF FINANCE LEASING COMPANY
IN THE PRC AND CAPITAL CONTRIBUTION TO THE
FINANCE LEASING COMPANY**

THE ACQUISITIONS

The Board wishes to announce that on 14 January 2019 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company) entered into (i) the Blossom Field Agreement with Ms. Gao pursuant to which the Purchaser has agreed to acquire, and Ms. Gao has agreed to sell, the Blossom Field Sale Shares, representing the entire issued share capital of Blossom Field, at the consideration of HK\$125,000; and (ii) the Hua Yao Shi Ye Agreement with Qian Hai pursuant to which the Purchaser has agreed to acquire, and Qian Hai has agreed to sell, the Hua Yao Shi Ye Sale Shares, representing 86.67% of the equity interest in Hua Yao Shi Ye, at the consideration of HK\$325,000.

As at the date of this announcement, Blossom Field and Hua Yao Shi Ye together directly hold the entire equity interest in the Project Company.

Upon completion of the Acquisitions, the Company shall hold the entire issued share capital of Blossom Field and 86.67% of the equity interest in Hua Yao Shi Ye, and in turn shall effectively hold approximately 90% of the equity interest in the Project Company. Blossom Field, Hua Yao Shi Ye and the Project Company will become subsidiaries of the Company upon completion of the Acquisitions and their financial results will be consolidated into the financial statements of the Group.

CAPITAL CONTRIBUTION TO THE PROJECT COMPANY

Upon completion of the Acquisitions, the Group shall contribute to the registered capital of the Project Company on a pro rata basis of its effective interest of 90% of the equity interest in the Project Company in the sum of USD27,000,000 (equivalent to approximately HK\$210,600,000).

LISTING RULES IMPLICATIONS

As the Blossom Field Acquisition, the Hua Yao Shi Ye Acquisition and the Capital Contribution all relate to the acquisition of equity interest in the Project Company by the Group and form a series of transactions conducted within the past 12-month period, the Blossom Field Acquisition, the Hua Yao Shi Ye Acquisition and the Capital Contribution are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, the aggregate value of the consideration will be approximately HK\$211.1 million. As the highest applicable percentage ratio under Chapter 14 of the Listing Rules in respect of the Acquisitions and the Capital Contribution exceeds 25% but is less than 100%, the Acquisitions and the Capital Contribution constitute a major transaction of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Gao, Qian Hai and its ultimate beneficial owners are Independent Third Parties. As far as the Directors are aware, none of the shareholders of the Company is materially interested in the Agreements and the transactions contemplated thereunder. Pursuant to Rule 14.44 of the Listing Rules, as no shareholder of the Company is required to abstain from voting if the Company was to convene a general meeting for approving the Agreements and the transactions contemplated thereunder, written approval has been obtained from Prestige Rich, a controlling shareholder of the Company holding 573,600,000 ordinary shares of the Company, representing approximately 62.5% of the issued share capital of the Company as at the date of this announcement, in lieu of holding a general meeting.

GENERAL

A circular containing, amongst others, (i) details of the Acquisitions and the Agreements; (ii) details of the Blossom Field Sale Shares and the Hua Yao Shi Ye Sale Shares; (iii) financial information of the Group and the Target Groups; and (iv) other information as required under the Listing Rules will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 4 February 2019.

THE ACQUISITIONS

The Board wishes to announce that on 14 January 2019 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company) entered into (i) the Blossom Field Agreement with Ms. Gao pursuant to which the Purchaser has agreed to acquire, and Ms. Gao has agreed to sell, the Blossom Field Sale Shares, representing the entire issued share capital of Blossom Field, at the consideration of HK\$125,000; and (ii) the Hua Yao Shi Ye Agreement with Qian Hai pursuant to which the Purchaser has agreed to acquire, and Qian Hai has agreed to sell, the Hua Yao Shi Ye Sale Shares, representing 86.67% of the equity interest in Hua Yao Shi Ye, at the consideration of HK\$325,000.

THE BLOSSOM FIELD AGREEMENT

Date

14 January 2019 (after trading hours)

Parties

Purchaser: China Golden Holdings Limited (中光集團有限公司)

Vendor: Gao Xifei (高茜菲)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Ms. Gao is an Independent Third Party.

Assets to be acquired

The Purchaser has agreed to purchase and Ms. Gao has agreed to sell the Blossom Field Sale Shares, which represent the entire issued share capital of Blossom Field. Blossom Field in turn holds 25% of the equity interest in the Project Company.

Blossom Field is a company incorporated under the laws of Hong Kong and an investment holding company wholly-owned by Ms. Gao as at the date of this announcement. For further information on Blossom Field, please refer to the section headed "Information on the Target Groups and the Vendors" below.

Consideration

The consideration for the sale and purchase of the Blossom Field Sale Shares is HK\$125,000 which shall be paid by the Purchaser to Ms. Gao upon completion of the registration and filing procedures in respect of the sale and purchase of the Blossom Field Sale Shares, which is expected to take place within seven days from the date of the Blossom Field Agreement.

The Group intends to finance the consideration of the Blossom Field Sale Shares by internal resources. The consideration for the sale and purchase of the Blossom Field Sale Shares was determined after arm's length negotiations between the Purchaser and Ms. Gao and with reference to, among other things, the unaudited net asset value of the Blossom Field Target Group as at 31 December 2018 and the business development and future prospects of the Project Company.

The Directors are of the view that the consideration for the sale and purchase of the Blossom Field Sale Shares is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Completion

Pursuant to the Blossom Field Agreement, completion of the Blossom Field Acquisition shall take place on the date of completion of the registration and filing procedures of the Blossom Field Sale Shares and that the Purchaser shall become the shareholder of the Blossom Field Sale Shares.

Upon completion of the Blossom Field Acquisition, Blossom Field will become a subsidiary of the Purchaser, and the financial results of Blossom Field will be consolidated into the consolidated financial statements of the Group.

THE HUA YAO SHI YE AGREEMENT

Date

14 January 2019 (after trading hours)

Parties

Purchaser: China Golden Holdings Limited (中光集團有限公司)

Vendor: 前海百諾千誠投資發展(深圳)有限公司 (for identification purpose only,
Qian Hai Bai Nuo Qian Cheng (Shenzhen) Company Limited)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Qian Hai and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

The Purchaser has agreed to purchase and Qian Hai has agreed to sell the Hua Yao Shi Ye Sale Shares, which represent 86.67% of the equity interest in Hua Yao Shi Ye. Hua Yao Shi Ye in turn holds 75% of the equity interest in the Project Company.

Hua Yao Shi Ye is a company established under the laws of the PRC and an investment holding company wholly-owned by Qian Hai as at the date of this announcement. For further information on Hua Yao Shi Ye, please refer to the section headed “Information on the Target Groups and the Vendors” below.

Consideration

The consideration for the sale and purchase of the Hua Yao Shi Ye Sale Shares is HK\$325,000 which shall be paid by the Purchaser to Qian Hai upon completion of the registration and filing procedures in respect of the sale and purchase of the Hua Yao Shi Ye Sale Shares, which is expected to take place within seven days from the date of the Hua Yao Shi Ye Agreement.

The Group intends to finance the consideration of the Hua Yao Shi Ye Sale Shares by internal resources. The consideration for the sale and purchase of the Hua Yao Shi Ye Sale Shares was determined after arm’s length negotiations between Qian Hai and the Purchaser and with reference to, among other things, the unaudited net asset value of the Hua Yao Shi Ye Target Group as at 31 December 2018 and the business development and future prospects of the Project Company.

The Directors are of the view that the consideration for the sale and purchase of the Hua Yao Shi Ye Sale Shares is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Completion

Pursuant to the Hua Yao Shi Ye Agreement, completion of the Hua Yao Shi Ye Acquisition shall take place on the date of completion of the registration and filing procedures the Hua Yao Shi Ye Sale Shares and that the Purchaser shall become the equity holder of Hua Yao Shi Ye Sale Shares.

Upon completion of the Hua Yao Shi Ye Acquisition, Hua Yao Shi Ye will become a subsidiary of the Purchaser, and the financial results of Hua Yao Shi Ye will be consolidated into the consolidated financial statements of the Group.

Upon completion of the Acquisitions, the Group shall effectively hold approximately 90% of the equity interest in the Project Company.

CAPITAL CONTRIBUTION TO THE PROJECT COMPANY

The registered capital of the Project Company in the sum of USD30,000,000 (equivalent to approximately HK\$234,000,000) remains unpaid as at the date of this announcement and is required to be paid up by 31 December 2045.

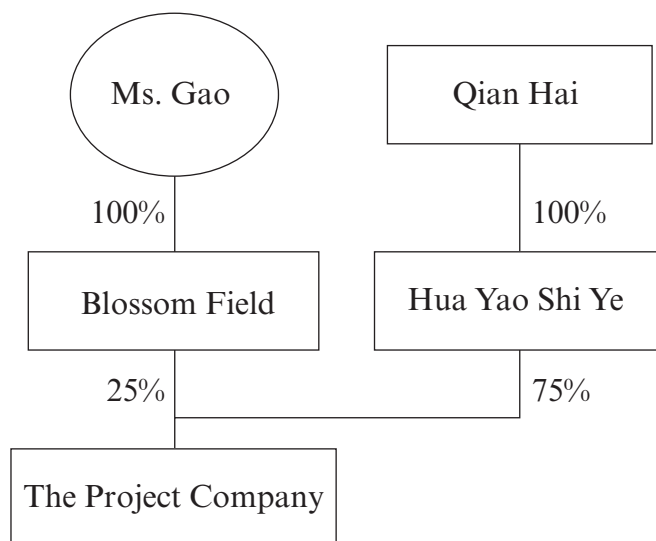
Upon completion of the Acquisitions, the Group shall contribute to the registered capital of the Project Company on a pro rata basis of its effective interest of 90% of the equity interest in the Project Company in the sum of USD27,000,000 (equivalent to approximately HK\$210,600,000).

The Group intends to finance the contribution of the registered capital of the Project Company by its internal resources or existing financial resources from time to time available to the Group.

INFORMATION ON THE TARGET GROUPS AND THE VENDORS

Corporate structure of the Target Groups

The corporate structure of the Target Groups as at the date of this announcement is as follows:



Blossom Field is a limited company incorporated under the laws of Hong Kong and an investment holding company wholly-owned by Ms. Gao as at the date of this announcement. The total issued share capital of Blossom Field is in the sum of HK\$10,000 divided into 10,000 ordinary shares of HK\$1.00 each, which have been issued to and are fully paid up by Ms. Gao as at the date of this announcement. Ms. Gao is an individual engaging in the business of investment.

Hua Yao Shi Ye is a limited company established under the laws of the PRC and an investment holding company wholly-owned by Qian Hai as at the date of this announcement. Qian Hai is the equity holder that holds the entire equity interest of Hua Yao Shi Ye as at the date of this announcement. Qian Hai is a company established under the laws of the PRC and is principally engaged in investment holding.

The Project Company is a company established under the laws of the PRC and a registered company carrying on the business of finance leasing in the PRC. As at the date of this announcement, the equity interest of the Project Company is held as to 25% by Blossom Field and as to 75% by Hua Yao Shi Ye. The registered capital of the Project Company is in the sum of USD30,000,000 (equivalent to approximately HK\$234,000,000) which remains unpaid as at the date of this announcement and is required to be paid up by 31 December 2045.

Upon completion of the Acquisitions, the Company shall hold the entire issued share capital of Blossom Field and 86.67% of the equity interest in Hua Yao Shi Ye, and shall in turn effectively hold approximately 90% of the equity interest in the Project Company. Blossom Field, Hua Yao Shi Ye and the Project Company will become subsidiaries of the Company upon completion of the Acquisitions and their financial results will be consolidated into the financial statements of the Company.

Financial information

Set out below is the summary of the key financial data of the Blossom Field Target Group and Hua Yao Shi Ye Target Group based on their unaudited consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2018 which were prepared in accordance with the generally accepted accounting principles in Hong Kong (for Blossom Field Target Group) and the PRC (for Hua Yao Shi Ye Target Group) as provided by the Vendors:

Blossom Field Target Group

	For the year ended 31 December 2017 (unaudited)	For the year ended 31 December 2018 (unaudited)
<i>HK\$</i>		
Net loss before taxation	(2,355)	(2,355)
Net loss after taxation	(2,355)	(2,355)

The net asset value of Blossom Field Target Group as at 31 December 2018 is HK\$685.

Hua Yao Shi Ye Target Group

	For the year ended 31 December 2017 (unaudited)	For the year ended 31 December 2018 (unaudited)
HK\$		
Net loss before taxation	(2,000)	(2,000)
Net loss after taxation	(2,000)	(2,000)

The net liability value of Hua Yao Shi Ye Target Group as at 31 December 2018 is HK\$4,667.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in (i) the provision of concrete placing services and other ancillary services as a subcontractor for both public sector projects, including building and infrastructure related projects, and private sector projects, which are mostly building related projects in Hong Kong; and (ii) the provision of logistics related services in the PRC including new energy vehicle sales and leasing, road freight transportation, logistics park development and warehousing services and the research and development, production, sales and application of lithium-ion powder batteries. The Purchaser is a limited company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company.

The Project Company is a registered company in the PRC carrying on the business of finance lease. Since the economy in the PRC is seen to be in continuing stable economic growth, it is expected that the business of financial lease is in demand in the PRC, which is witnessed by the increasing number of registered finance leasing companies in the PRC. The Acquisitions represent a good opportunity to tap into the growing business of finance leasing in the PRC and to capture the prospective return on investment and are therefore in the long term interests of the Group.

The Directors believe that the Acquisitions are in the best interest of the Company and the terms of the Agreements are on normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Blossom Field Acquisition, the Hua Yao Shi Ye Acquisition and the Capital Contribution all relate to the acquisition of equity interest in the Project Company by the Group and form a series of transactions conducted within the past 12-month period, the Blossom Field Acquisition, the Hua Yao Shi Ye Acquisition and the Capital Contribution are required to be aggregated for the purpose of computing the relevant percentage ratios

pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, the aggregate value of the consideration will be approximately HK\$211.1 million. As the highest applicable percentage ratio under Chapter 14 of the Listing Rules in respect of the Acquisitions and the Capital Contribution exceeds 25% but is less than 100%, the Acquisitions and the Capital Contribution constitute a major transaction of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Gao, Qian Hai and its ultimate beneficial owners are Independent Third Parties. As far as the Directors are aware, none of the shareholders of the Company is materially interested in the Agreements and the transactions contemplated thereunder. Pursuant to Rule 14.44 of the Listing Rules, as no shareholder of the Company is required to abstain from voting if the Company was to convene a general meeting for approving the Agreements and the transactions contemplated thereunder, written approval has been obtained from Prestige Rich, a controlling shareholder of the Company holding 573,600,000 ordinary shares of the Company, representing approximately 62.5% of the issued share capital of the Company as at the date of this announcement, in lieu of holding a general meeting.

GENERAL

A circular containing, amongst others, (i) details of the Acquisitions and the Agreements; (ii) details of the Blossom Field Sale Shares and the Hua Yao Shi Ye Sale Shares; (iii) financial information of the Group and the Target Groups; and (iv) other information as required under the Listing Rules will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 4 February 2019.

DEFINITIONS

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

“Acquisitions”	the Blossom Field Acquisition and the Hua Yao Shi Ye Acquisition
“Agreements”	the Blossom Field Agreement and the Hua Yao Shi Ye Agreement
“Blossom Field”	Blossom Field Trading Develop Limited (茂田貿易拓展有限公司), a limited company incorporated under the laws of Hong Kong, which is wholly-owned by Ms. Gao as at the date of this announcement
“Blossom Field Acquisition”	the proposed acquisition of the entire issued share capital of Blossom Field by the Purchaser from Ms. Gao under the Blossom Field Agreement

“Blossom Field Agreement”	the agreement dated 14 January 2019 entered into between the Purchaser (a direct wholly-owned subsidiary of the Company) and Ms. Gao in relation to the sale and purchase of the Blossom Field Sale Shares
“Blossom Field Sale Shares”	10,000 ordinary shares representing the entire issued share capital of Blossom Field, which are legally and beneficially owned and held by and registered in the name of Ms. Gao
“Blossom Field Target Group”	Blossom Field and its 25% of the equity interest in the Project Company
“Board”	the board of Directors
“Capital Contribution”	the capital contribution exercise by the Group upon completion of the Acquisitions whereby the Group shall contribute to the registered capital of the Project Company on a pro rata basis of its effective interest of 90% of the equity interest in the Project Company in the sum of USD27,000,000 (equivalent to approximately HK\$210,600,000)
“Company”	Chong Kin Group Holdings Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (Stock Code: 1609)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hua Yao Shi Ye”	華耀實業(深圳)有限公司, for identification purpose only, Hua Yao Shi Ye (Shenzhen) Company Limited, a company incorporated in the PRC, the entire equity interest of which is held by Qian Hai as at the date of this announcement
“Hua Yao Shi Ye Acquisition”	the proposed acquisition of 86.67% of the equity interest in Hua Yao Shi Ye by the Purchaser from Qian Hai under the Hua Yao Shi Ye Agreement

“Hua Yao Shi Ye Agreement”	the agreement dated 14 January 2019 entered into between the Purchaser (a direct wholly-owned subsidiary of the Company) and Qian Hai in relation to the sale and purchase of the Hua Yao Shi Ye Sale Shares
“Hua Yao Shi Ye Sale Shares”	the entire equity interest of Hua Yao Shi Ye, which is legally and beneficially owned and held by and registered in the name of Qian Hai
“Hua Yao Shi Ye Target Group”	Hua Yao Shi Ye and the Project Company
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Gao”	Gao Xifei (高茜菲), the sole legal and beneficial owner of the entire share capital of Blossom Field and an Independent Third Party
“PRC”	the People’s Republic of China
“Prestige Rich”	Prestige Rich Holdings Limited, a company incorporated under the laws of in the British Virgin Islands, the controlling shareholder (as defined in the Listing Rules) holding 573,600,000 ordinary shares of the Company, representing approximately 62.5% of the issued share capital of the Company as at the date of this announcement
“Project Company”	華耀融資租賃(深圳)有限公司, for identification purpose only, Hua Yao Finance Leasing (Shenzhen) Company Limited, a company incorporated under the laws of the PRC, the equity interest of which is held as to 25% by Blossom Field and as to 75% by Hua Yao Shi Ye as at the date of this announcement

“Purchaser”	China Golden Holdings Limited (中光集團有限公司), a limited company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Qian Hai”	前海百諾千誠投資發展(深圳)有限公司, for identification purpose only, Qian Hai Bai Nuo Qian Cheng (Shenzhen) Company Limited, a company incorporated under the laws of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Groups”	Blossom Field Target Group and Hua Yao Shi Ye Target Group for the time being and from time to time
“Vendors”	Ms. Gao and Qian Hai
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in USD have been translated into HK\$ at the rate of USD1.00 = HK\$7.8. No representation is made that any amount in USD or HK\$ has been, could have been or could be converted at the above rate or any other rate at all.

By Order of the Board
Chong Kin Group Holdings Limited
Zhang Jinbing
Chairman and Chief Executive Officer

Hong Kong, 14 January 2019

As at the date hereof, the Board comprises two executive Directors, namely Mr. Zhang Jinbing and Mr. Ni Biao, and three independent non-executive Directors, namely Dr. Zhu Zhengfu, Dr. Li Yifei and Mr. Tam Ping Kuen Daniel.