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China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 290)

Website: <http://www.290.com.hk>

DISCLOSEABLE TRANSACTION ACQUISITION OF NOTES

THE ACQUISITION

The Board is pleased to announce that on 20 May 2019 (before trading hours), the Acquirer, a direct wholly-owned subsidiary of the Company, has placed an order to acquire the Notes in the principal amount of US\$12,000,000 (equivalent to approximately HK\$94,200,000) from the Vendor at a total consideration of US\$11,923,320 (equivalent to approximately HK\$93,598,062) (including transaction cost). The Notes bear an annual coupon rate of 6.5% payable semi-annually in arrears and are due on 20 May 2022.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but all of such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

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The Notes

The principal terms and conditions of the Notes are summarised as follows:

Issuer	:	New Metro Global Limited (新城環球有限公司), a company incorporated in the BVI with limited liabilities
Aggregate principal amount of the Notes	:	US\$300,000,000 (equivalent to approximately HK\$2,355,000,000)
Purchase price	:	99.361% of the principal amount of the Notes
Interest	:	coupon rate of 6.5% per annum, payable semi-annually in arrears
Maturity date	:	20 May 2022
Redemption at maturity	:	unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 20 May 2022
Optional redemption	:	at any time and from time to time prior to 20 May 2022, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date

Status of the Notes : the Notes are senior notes which will be (1) general obligations of the Issuer, (2) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes, (3) at least *pari passu* in right of payment against the Issuer with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), (4) guaranteed by the Guarantor on a senior basis, subject to, among others, the applicable law, (5) effectively subordinated to the other secured obligations (if any) of the Issuer and the Guarantor, to the extent of the value of the assets serving as security therefor and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer

However, applicable law may limit the enforceability of the parent guarantee provided by the Guarantor

Transferability : the Notes are transferrable outside the United States in offshore transactions in reliance on Regulation S under the Securities Act of the United States

Events of default : upon the occurrence of certain events as described in the Offering Memorandum, the trustee or holders of at least 25% of the aggregate principal amount of the Notes then outstanding by written notice to the Issuer may declare the principal of the Notes, plus any accrued and unpaid interest and premium (if any) to be immediately due and payable

Listing : approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as the Notes are listed on the SGX-ST

It is expected that the Notes in the principal amount of US\$12,000,000 (equivalent to approximately HK\$94,200,000) will be transferred to the Acquirer on or before 21 May 2019, upon which the total consideration of US\$11,923,320 (equivalent to approximately HK\$93,598,062) shall be paid by the Acquirer (including transaction cost).

REASONS FOR AND THE BENEFITS OF THE ACQUISITION

The Board has endeavoured in exploring opportunities for potential investments with a view to generating revenue and achieving better return for its Shareholders. As the Notes carry an annual coupon rate of 6.5%, the Board considers that the Acquisition provides a reasonable investment return and continuous cash inflow to the Company. The total consideration in respect of the Acquisition will be funded by (i) internal resources of the Group; and (ii) bank borrowing.

Taking into account the above, the Board considers that the terms and conditions of the Notes and the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE ACQUIRER AND THE GROUP

The Acquirer is a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company.

The Group is principally engaged in the provision of brokerage and margin financing, proprietary securities trading, corporate finance, asset management, money lending, factoring, consultancy and insurance brokerage services.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in securities dealing and advising, and provision of asset management services.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

INFORMATION ON THE ISSUER AND THE GUARANTOR

The Issuer is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of the Guarantor. The Issuer has not engaged, since its incorporation, in any material activities other than those relating to issuance of senior notes and out-lending to the Guarantor and the subsidiaries and affiliates of the Guarantor.

The Guarantor is a company incorporated under the laws of the PRC with limited liability and the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 601155). The Guarantor, as a holding company, does not have substantial business operation, and does not plan to do so in the near future. Its group, through the subsidiaries of the Guarantor from time to time, is principally engaged in the development and sale of various residential and commercial properties in China.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Issuer, the Guarantor and their ultimate beneficial owner are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but all of such percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquirer”	Marvel Champion Investment Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Acquisition”	the acquisition of the Notes by the Acquirer in the principal amount of US\$12,000,000 (equivalent to approximately HK\$94,200,000) from the Vendor at a total consideration of US\$11,923,320 (equivalent to approximately HK\$93,598,062)
“Board”	the board of Directors
“BVI”	the British Virgin Islands

“Company”	China Fortune Financial Group Limited (中國富強金融集團有限公司), 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 (stock code: 290)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Guarantor”	Seazen Holdings Co., Ltd. (新城控股集團股份有限公司), a company incorporated under the laws of the PRC with limited liability and the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 601155)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	New Metro Global Limited (新城環球有限公司), a company incorporated in the BVI with limited liabilities
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$300,000,000 6.5% guaranteed senior notes due 20 May 2022 issued by the Issuer
“Offering Memorandum”	the offering memorandum of the Notes issued by the Issuer
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement

“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	BOCOM International Asset Management Limited (交銀國際資產管理有限公司), a company incorporated in Hong Kong with limited liability
“%”	per cent.

For the purpose of this announcement and unless otherwise specified, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1 = HK\$7.85. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ or HK\$ have been, could have been or may be converted at such or any other rate or at all.

By order of the Board of
China Fortune Financial Group Limited
HUA Yang
*Chief Executive Officer
and Executive Director*

Hong Kong, 20 May 2019

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. XIE Zhichun (Chairman), Mr. HUA Yang and Mr. ZHU Yi; three non-executive Directors, namely Mr. HAN Hanting, Mr. CHEN Zhiwei and Mr. WU Ling; and four independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. NG Kay Kwok, Mr. CHIU Kung Chik and Mr. LI Gaofeng.