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ZHI CHENG HOLDINGS LIMITED

智城控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8130)

STRATEGIC COOPERATION AGREEMENT WITH YUNNAN STATE-OWNED ASSETS CAPITAL OPERATION CO., LTD.

This announcement is made by the Company on a voluntary basis to provide the Shareholders and potential investors an update on the latest business development of the Company.

The Board is pleased to announce that on 20 December 2016, the Company and Yunnan Capital entered into the Strategic Cooperation Agreement, pursuant to which the parties have agreed to explore cooperation opportunities in relation to fund establishment and management, debt financing and other consultancy services.

The Strategic Cooperation Agreement serves as a framework document for cooperation between the parties and does not provide any agreed terms and conditions for any specific transactions which may or may not materialise. The Company will make further announcement(s) in compliance with the GEM Listing Rules as and when appropriate for any material developments or other agreement(s) entered into in relation to the transactions contemplated under the Strategic Cooperation Agreement.

The Company and Yunnan Capital may or may not proceed to sign any legally binding agreement(s) in relation to the Strategic Cooperation Agreement and transactions contemplated thereunder. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

THE STRATEGIC COOPERATION AGREEMENT

The Board is pleased to announce that on 20 December 2016, the Company and Yunnan Capital entered into the Strategic Cooperation Agreement, pursuant to which the parties have agreed to explore cooperation opportunities in relation to fund establishment and management, debt financing and other consultancy services. Details of the areas of the possible cooperation between the Company and Yunnan Capital are as follows:

- (1) the parties agree to establish a platform for the purpose of developing investment projects and fund management;

- (2) integrate potential assets in order to securitize such assets of Yunnan Capital and the resources found in the region of Yunnan Capital;
- (3) the Group shall provide onshore and offshore debt financing support and services for Yunnan Capital;
- (4) the Group and Yunnan Capital agree to, in compliance with the relevant policies under the CEPA, proactively apply for securities licence and jointly establish securities company;
- (5) the Group shall, relying on its extensive industry background, provide services in relation to the (i) establishment of mobile payment platform and (ii) application for securities licences and listing of enterprises to Yunnan Capital and its related entities in future.

The Strategic Cooperation Agreement serves as a framework document for cooperation between the parties and does not provide any agreed terms and conditions for any specific transactions which may or may not materialise. The Company will make further announcement(s) in compliance with the GEM Listing Rules as and when appropriate for any material developments or other agreement(s) entered into in relation to the transactions contemplated under the Strategic Cooperation Agreement.

INFORMATION ON YUNNAN CAPITAL

To the best of the knowledge, information and belief of the Directors, Yunnan Capital is a state-owned enterprise established in the PRC with limited liability which is principally engaged in (i) providing services of equity investment and project investment for strategic investors or financial investors; (ii) providing services of equity and venture investment consulting business; (iii) the establishment of entity regarding venture investment management consultation; (iv) establishment and management of business in relation to funds; (v) non-financial asset management; (vi) managing and dealing of non-performing assets; (vii) investment consultation (excluding securities and futures); (viii) industrial research; (ix) financial research; and (x) housing rental and property management.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Yunnan Capital and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR THE ENTERING INTO OF THE STRATEGIC COOPERATION AGREEMENT

The Company was incorporated as an exempted company in the Cayman Islands and continued in Bermuda with limited liability whose issued shares are listed on the GEM.

The Company's principal activity is investment holding and the principal activities of its subsidiaries are provision of consultancy services, advertising and media related services, project management services, travel agency and related operations and financial leasing and other financial services.

The strategic cooperation with Yunnan Capital is expected to allow the Group to explore new opportunities brought by the benefits of the “One Belt One Road” in the Yunnan region of the PRC. The Directors expect that the entering into of the Strategic Cooperation Agreement will allow the Group to tap into the extensive potential market of fund establishment and management, debt financing and other consultancy services. In addition, the cooperation with Yunnan Capital enables the Group to access to a large pool of networking opportunities which may bring in potential future growth for the Group’s existing business.

Accordingly, the Directors consider that the entering into of the Strategic Cooperation Agreement is beneficial and in the interest of the Company and the Shareholders as a whole.

The Company and Yunnan Capital may or may not proceed to sign any legally binding agreement(s) in relation to the Strategic Cooperation Agreement and transactions contemplated thereunder. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

TERMS USED IN THIS ANNOUNCEMENT

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

“Board”	the board of Directors;
“CEPA”	Closer Economic Partnership Arrangement, being the first trade arrangement concluded by the PRC and Hong Kong and covers three areas, including trade in goods, trade in services, trade and investment facilitation;
“Company”	Zhi Cheng Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, whose shares are listed and traded on the GEM (Stock Code: 8130);
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Directors”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“PRC”	the People’s Republic of China and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;

“Share(s)”	ordinary shares of the Company with a par value of HK\$0.01 each;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategic Cooperation Agreement”	the strategic cooperation agreement entered into between the Company and Yunnan Capital on 20 December 2016; and
“Yunnan Capital”	Yunnan State-owned Assets Capital Operation Co., Ltd., a state-owned enterprise established in the PRC with limited liability and principally engaged in (i) providing services of equity investment and project investment for strategic investors or financial investors; (ii) providing services of equity and venture investment consulting business; (iii) the establishment of entity regarding venture investment management consultation; (iv) establishment and management of business in relation to funds; (v) non-financial asset management; (vi) managing and dealing of non-performing assets; (vii) investment consultation (excluding securities and futures); (viii) industrial research; (ix) financial research; and (x) housing rental and property management.

By Order of the Board
Zhi Cheng Holdings Limited
Lien Wai Hung
Chairman

Hong Kong, 20 December 2016

As at the date of this announcement, the executive Directors are Mr. Lien Wai Hung, Mr. Wei Shu Jun, Ms. Zhu Qi, Dr. Shen Furong and Mr. Wu Xiaoming; the independent non-executive Directors are Mr. Chong Yiu Kan, Sherman, Ms. Chan Wing Yan, Carman and Mr. Yeung Kwong Wai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.zhicheng-holdings.com.

* *for identification purposes only*