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**中國港橋控股有限公司**

China HKBridge Holdings Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTION  
SUBLEASE AGREEMENT**

**THE SUBLEASE AGREEMENT**

The Board wishes to announce that on 10 May 2017, the Sublessor (as sublessor) and the Company (as sublessee) entered into the Sublease Agreement, pursuant to which the Sublessor agreed to sublet the Subleased Portion to the Company for a term of two (2) years from the Commencement Date.

**IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, the Sublessor is indirectly wholly owned by Mr. Jia, a substantial shareholder of the Company and therefore a connected person of the Company. Accordingly, the entering into the Sublease Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

Since the Annual Caps of the rents payable under Sublease Agreement for each of the two years ending 31 December 2017 are expected to represent more than 0.1% but less than 5% of the applicable percentage ratios (other than profits ratio) under the Listing Rules and are expected to exceed HK\$3 million, the relevant Annual Caps will be subject to reporting, announcement and annual review requirements but will be exempt from independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

**INTRODUCTION**

Pursuant to the Head Lease entered into between the Sublessor (as tenant) and the landlord of the Head-lease Premises, the landlord agreed to lease the Head-lease Premises to the Sublessor for a term of two years commencing from the Commencement Date with two months' rent-free periods.

Completion of placing of new Shares of the Company to China Tian Yuan Manganese Limited (which is owned by Mr. Jia as to approximately 99.62% as of the date of this announcement) took place on 6 December 2016. Since then, Mr. Jia has become one of the Company's substantial shareholders. As the Sublessor is a company whose 100% issued share capital is ultimately and beneficially owned by Mr. Jia, the subleasing of the Subleased Portion from the Sublessor as one of the Group's office premises has become a continuing connected transaction of the Company with effect from 6 December 2016.

The Board wishes to announce that on 10 May 2017, the Company entered into the Sublease Agreement with the Sublessor, pursuant to which the Sublessor agreed to sublet to the Subleased Portion for a term of two years commencing from the Commencement Date, which corresponds to the original lease term of the Head Lease. The Head-lease Premises (including the Subleased Portion) was under renovation from August 2016 to September 2016 and therefore, the Subleased Portion was not actually occupied for use until October 2016.

### **THE SUBLEASE AGREEMENT**

The principal terms of the Sublease Agreement are summarised as follows:

Date	:	10 May 2017
Parties	:	The Sublessor, as sub-landlord The Company as sub-tenant
Subleased Portion	:	The Subleased Portion, which comprises a lettable gross floor area of about 343 square metre (which represents about one-third of the lettable office areas at 36th Floor of the Head-lease Premises) and a car parking space
Term	:	Two years commencing from the Commencement Date
Rent	:	A monthly rent of HK\$476,667, exclusive of government rent and rates, management fees, air-conditioning charges, repairing and maintenance fee and fund, utility charges (including water and electricity) and other fees in relation to the use of the premises
Rent-free period	:	Two months
Management fee	:	A monthly management fee of HK\$21,211
Other fees and charges	:	One-third of other fees (including government rent and rates, air-conditioning charges, repairing and maintenance fee and fund, and utility charges (including water and electricity), which will be borne by the Company and paid on a monthly basis

Deposit : A total deposit of HK\$2,491,667 payable by the Company to the Sublessor (including rental, management fee and other utilities)

Use : For commercial purpose

## THE ANNUAL CAPS

Period	Annual Caps HK\$
From 1 January 2017 to 31 December 2017 ( <i>Note</i> )	7,000,000
From 1 January 2018 to 15 August 2018 (being end of the term)	5,000,000

*Note:* The accrued rent for the period from 1 January 2017 to 9 May 2017 (being the day immediately before the date of the Sublease Agreement) was HK\$2,045,055.

The accrued rent for the period from 6 December 2016 (being the date on which the completion of placing of new Shares of the Company to China Tian Yuan Manganese Limited took place) to 31 December 2016 was HK\$399,785.

The Annual Caps were determined with reference to the monthly rent as stipulated in the Sublease Agreement and other fees and charges actually incurred.

Save for the accrued rent for the period from the Commencement Date to 9 May 2017, there was no historical transaction between the Group and the Sublessor in relation to the renting of the Subleased Portion.

The terms of the Sublease Agreement (including the rent) were determined after arm's length negotiations between the parties, with reference to the actual rental, management fees and other utilities being charged by the landlord pursuant to the agreed terms of the Head Lease that the Sublessor entered into with the landlord without any mark-up (being about one-third of the size of the Head-lease Premises). The rental being charged by the landlord to the Sublessor was determined by reference to the prevailing market rental of similar properties in the approximate location.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBLEASE AGREEMENT

On 21 December 2016, the Group successfully obtained the formal approvals from the Securities and Futures Commission of Hong Kong ("SFC") to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under section 127(1) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). In contemplation of the increasing volume of such business activities, the Company started to share the Subleased Portion from the Sublessor as one of the Group's office premises, in view of the favourable location (which is located close to the central business district of Hong Kong), size and management quality of the Subleased

Portion. The Head-lease Premises (including the Subleased Portion) was under renovation from August 2016 to September 2016 and therefore, the Subleased Portion was not actually occupied for use until October 2016.

Completion of placing of new Shares of the Company to China Tian Yuan Manganese Limited (which is owned by Mr. Jia as to approximately 99.62% as of the date of this announcement) took place on 6 December 2016. Since then, Mr. Jia has become one of the Company's substantial shareholders (hence a connected person of the Company). As the Sublessor is a company whose 100% issued share capital is ultimately and beneficially owned by Mr. Jia, the subleasing of the Subleased Portion has become a continuing connected transaction of the Company with effect from 6 December 2016.

The Directors (including all the independent non-executive Directors) considers that the transactions under the Sublease Agreement have been and will be entered into on normal commercial terms and in the ordinary and usual course of business of the Company, and the terms and relevant Annual Caps of the Sublease Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is principally engaged in the manufacture and sale of a broad range of printed circuit boards. Besides, the Group is also involved in the carrying out of treasury investments, including investment in securities and other related activities and the rendering of advice on securities and the carrying out of asset management business for professional investors. On 21 December 2016, the Group successfully obtained the formal approvals from the SFC to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under section 127 (1) of the SFO.

### **The Sublessor**

The Sublessor is engaged in the provision of management services.

## **RELATIONSHIP BETWEEN THE PARTIES TO THE SUBLEASE AGREEMENT**

The Sublessor is wholly and indirectly owned by Mr. Jia, a substantial shareholder of the Company.

## **LISTING RULES IMPLICATIONS**

Since the Annual Caps of the rents payable under Sublease Agreement for each of the two years ending 31 December 2017 are expected to represent more than 0.1% but less than 5% of the applicable percentage ratios (other than profits ratio) under the Listing Rules and are expected to exceed HK\$3 million, the relevant Annual Caps will be subject to reporting, announcement and annual review requirements but will be exempt from independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## TERMS USED IN THIS ANNOUNCEMENT

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

“Annual Caps”	The proposed maximum aggregate annual monetary sums of the transactions during the term of the Sublease Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors from time to time of the Company or a duly authorised committee thereof
“Company”	China HKBridge Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 2323)
“Commencement Date”	the commencement date of the original lease term under the Head Lease, that is, 16 August 2016
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company for the time being or a duly authorised committee thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jia”	Mr. Jia Tianjiang (賈天將), a substantial shareholder of the Company
“Head Lease”	A tenancy agreement between the Sublessor and the landlord of the Head-lease Premises dated 7 September 2016 in respect of the Head-lease Premises for a term of two years at a monthly rental of HK\$1.43 million with two months’ rent-free period
“Head-lease Premises”	36th Floor (with an area of approximately 1,031 square metre) together with three car parking spaces, Bank of America Tower, No.12 Harcourt Road, Central, Hong Kong

“Shares”	ordinary shares of HK\$0.10 each of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sublease Agreement”	the sublease agreement dated 10 May 2017 entered into between the Sublessor and the Company in relation to the leasing of the Head-lease Premises for a term of two years commencing from the Commencement Date with two months’ rent free period at a monthly rent of HK\$476,667 exclusive of government rent and rates, management fees, air condition charges, repairing and maintenance fee and fund, electricity and water bills, utility charges and other fees in relation to the use of the Subleased Portion
“Sublessor”	China Tian Yuan International Finance (Management) Limited (中國天元國際金融(管理)有限公司), a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by China Tian Yuan Finance Group (Holdings) Limited, a company incorporated in Cayman Islands with limited liability and is wholly and beneficially owned by Mr. Jia
“Subleased Portion”	a part of Head-lease Premises with a size of about one-third of the Head-lease Premises, which comprises an area of approximately 343 square metre and a car parking space
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the Board of  
**China HKBridge Holdings Limited**  
**Liu Tingan**  
*Chairman and Chief Executive Officer*

Hong Kong, 10 May 2017

*As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Tingan, Mr. Cheok Ho Fung and Mr. Zhou Huorong being executive directors; and Mr. Mao Yumin, being non-executive director and Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence being independent non-executive directors.*