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CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

DISCLOSEABLE TRANSACTION ACQUISITIONS AND DISPOSALS OF SHARES IN G8 EDUCATION

Over the period from 1 March 2018 to 8 November 2018:

- (a) the Company has acquired an aggregate of 4,077,345 shares of G8 Education in a series of transactions conducted on the ASX at an average price of approximately AUD2.65 per share of G8 Education;
- (b) the Company has disposed an aggregate of 2,509,844 shares of G8 Education in a series of transactions conducted on the ASX at an average price of approximately AUD2.09 per share of G8 Education; and
- (c) Investorlink as trustee for the New Trust has disposed an aggregate of 5,095,785 shares of G8 Education in a series of transactions conducted on the ASX at an average price of approximately AUD2.30 per share of G8 Education.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the aggregate of the Acquisitions and the Disposals is more than 5% but less than 25%, the Acquisitions and the Disposals in aggregate constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to (i) the announcements of the Company dated 23 February 2017 and 5 May 2017 in relation to, among other things, the formation and subscription of the New Trust; (ii) the clarification announcements of the Company dated 19 May 2017, 22 May 2017 and 5 June 2017; and (iii) the announcements of the Company dated 22 December 2017 and 2 January 2018 in relation to the sale of shares of G8 Education.

THE ACQUISITIONS

The Company announces that over the period from 1 March 2018 to 8 November 2018, the Company has acquired an aggregate of 4,077,345 shares of G8 Education in a series of transactions conducted on the ASX at an average price of approximately AUD2.65 per share of G8 Education. The aggregate consideration for the Acquisitions is approximately AUD10.8 million, which was payable in cash on settlement.

The Acquisitions were made based on the market price of G8 Education at the time of purchase. The Directors are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The consideration was settled through the internal resources of the Group.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the acquisition shares and their ultimate beneficial owners are Independent Third Parties.

THE DISPOSALS

The Company announces that over the period from 1 March 2018 to 8 November 2018, (i) the Company has disposed an aggregate of 2,509,844 shares of G8 Education in a series of transactions conducted on the ASX at an average price of approximately AUD2.09 per share of G8 Education for an aggregate net sale proceeds of approximately AUD5.3 million; and (ii) Investorlink as trustee for the New Trust has disposed an aggregate of 5,095,785 shares of G8 Education in a series of transactions conducted on the ASX at an average price of approximately AUD2.30 per share of G8 Education for an aggregate net sale proceeds of approximately AUD11.7 million. The aggregate net sale proceeds of the Disposals are approximately AUD17.0 million, which were receivable in cash on settlement.

The Disposals were made based on the market price of G8 Education at the time of disposals. The Directors are of the view that the Disposals were fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the buyers of the disposal shares and their ultimate beneficial owners are Independent Third Parties.

INFORMATION OF G8 EDUCATION

G8 Education is a public listed company limited by shares, incorporated and domiciled in Australia whose shares are listed on the ASX under the stock code GEM. G8 Education, which provides quality child care and education facilities in Australia and Singapore, is the largest for-profit child care center operator in Australia.

According to the published financial statements of G8 Education, (i) the net asset value of G8 Education was approximately AUD859.3 million as at 30 June 2018; and (ii) its financial results for the two years ended 31 December 2016 and 2017 are as follows:

	For the year ended 31 December	
	2017	2016
	<i>AUD'000</i>	<i>AUD'000</i>
	(approximately)	(approximately)
Net profit before taxation	117,781	114,669
Net profit after taxation	80,581	80,265

GENERAL INFORMATION

After the Acquisitions and the Disposals were completed, the Company held 1,567,501 shares of G8 Education as of the date of this announcement, representing approximately 0.34% of the total issued shares of G8 Education (based on the 455,379,824 shares of G8 Education in issue as of the date of this announcement according to publicly available information).

Investorlink is the trustee for the New Trust. After the disposals of 5,095,785 shares of G8 Education, Investorlink as trustee for the New Trust owns 10,907,848 shares of G8 Education as of the date of this announcement, representing approximately 2.40% of the total issued shares of G8 Education (based on the 455,379,824 shares of G8 Education in issue as of the date of this announcement according to publicly available information). CFCG Australia owns 43,194,920 units of the New Trust, representing all the units issued by the New Trust, as of the date of this announcement and is the manager of the New Trust.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE DISPOSALS

The Company is an investment holding company. Before 2014, the Group was mainly engaged in automotive parts business. Since the end of 2014, the Group has started moving into the financial services business, and has provided services such as dealing in securities, underwriting and placing of securities, financing consultancy, merger and acquisition agency, financial advisory, asset management, private equity fund management, credit financing and migration financial services. Since 2016, the Group has continued to diversify its business, with education investment as cornerstone, and financial services and education operation as support. The combination of the three key operations enables the Group to achieve a balancing development. The Group aspires to build a platform for education industry operation and investment and financing, powered by a dual-pronged strategy “Education Operation and Financial Services”.

The Acquisitions were investment of the Group while the purpose of the disposals by the Company is to realise the investment of the Group and to improve the Group's liquidity. As a result of the disposals of 2,509,844 shares of G8 Education by the Company, the Company is expected to recognise an unaudited loss of approximately AUD1.2 million, which is calculated on the basis of the difference between the weighted average costs of the disposal shares (adjusted by the dividends received) and the aggregate net sale proceeds of the disposals. The Group intends to use the proceeds of such disposals for general working capital.

As advised by Investorlink as trustee for the New Trust, the purpose of the disposals by Investorlink is to realise its investment. As a result of such disposals, the New Trust is expected to recognise an unaudited loss of approximately AUD6.6 million, which is calculated by the initial subscription price of the disposal shares (adjusted by the dividends received) deducted by the aggregate net sale proceeds of the disposals. CFCG Australia would apply for redemptions of the units held by it in the New Trust in return for funds. The Group intends to use the funds for general working capital.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the aggregate of the Acquisitions and the Disposals is more than 5% but less than 25%, the Acquisitions and the Disposals in aggregate constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meanings:

“Acquisitions”	the acquisitions of an aggregate of 4,077,345 shares of G8 Education by the Company over the period from 1 March 2018 to 8 November 2018
“ASX”	Australian Securities Exchange
“AUD”	Australian dollar, the lawful currency of Australia
“Australia”	Common Wealth of Australia
“Board”	the board of Directors
“CFCG Australia”	CFCG Investment Partners International (Australia) Pty Ltd, a company incorporated in Australia with limited liability and a wholly-owned subsidiary of the Company
“Company”	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposals”	collectively, (i) the disposals of an aggregate of 2,509,844 shares of G8 Education by the Company over the period from 1 March 2018 to 8 November 2018; and (ii) the disposals of an aggregate of 5,095,785 shares of G8 Education by Investorlink as trustee for the New Trust over the period from 1 March 2018 to 8 November 2018
“G8 Education”	G8 Education Limited, a public listed company limited by shares, incorporated and domiciled in Australia whose shares are listed on the ASX under the stock code GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party which is independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Investorlink”	Investorlink Securities Limited, an unlisted public company incorporated in Australia and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Trust”	a trust set up by Investorlink as trustee and CFCG Australia as initial manager pursuant to the trust deed dated 23 February 2017 under the name of First Capital Australia Education Master Fund
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholder(s)”	the holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Singapore”	Republic of Singapore

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Units”	the beneficial interest in the New Trust which is divided into units
“%”	per cent

By order of the Board
China First Capital Group Limited
Wilson Sea
Chairman and executive Director

Hong Kong, 8 November 2018

As at the date of this announcement, the executive Directors are Dr. Wilson Sea, Mr. Tang Mingyang, Mr. Zhao Zhijun, Ms. Li Dan and Dr. Zhu Huanqiang; the non-executive Director is Mr. Li Hua; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang and Mr. Wang Song.