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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 DISPOSALS AND ACQUISITION OF SHARES IN GUANGAN AAA**

The Company announces that from 16 October 2020 to 29 December 2020, Yujiage Co., an indirectly wholly-owned subsidiary of the Company, (i) has further disposed an aggregate of 8,632,800 Guangan Shares on the Shanghai Stock Exchange, representing approximately 0.7006% of the total issued shares of Guangan AAA as at 29 December 2020, and (ii) has acquired an aggregate of 14,279 Guangan Shares on the Shanghai Stock Exchange, representing approximately 0.0012% of the total issued shares of Guangan AAA as at 29 December 2020.

The aggregate consideration of the Further Disposal is approximately RMB28.37 million (after deduction of the relevant transaction costs). The Further Disposal was made based on the market price of Guangan Shares at the time of disposal. The aggregate consideration of the Acquisition is approximately RMB47,000 (inclusive of relevant transaction costs). The Acquisition was made based on the market price of Guangan Shares at the time of acquisition.

Since the Further Disposal and the Acquisition were conducted within 12 months of the completion of the Previous Disposal, the Previous Disposal, the Further Disposal and the Acquisition were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of each of (i) the Previous Disposal (standing alone), (ii) the Further Disposal and the Acquisition (in aggregate) and (iii) the Previous Disposal, the Further Disposal and the Acquisition (in aggregate), is more than 5% but less than 25%, and thus each of (i) the Previous Disposal (standing alone), (ii) the Further Disposal and the Acquisition (in aggregate) and (iii) the Previous Disposal, the Further Disposal and the Acquisition (in aggregate), constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 9 December 2016 in relation to the acquisition of equity interest in Yujiage Co. and the announcement of the Company dated 9 October 2020 in relation to the Previous Disposal.

## **THE FURTHER DISPOSAL**

The Company announces that from 16 October 2020 to 29 December 2020, Yujiage Co., an indirectly wholly-owned subsidiary of the Company, has further disposed an aggregate of 8,632,800 Guangan Shares on the Shanghai Stock Exchange, representing approximately 0.7006% of the total issued shares of Guangan AAA as at 29 December 2020. The aggregate consideration of the Further Disposal is approximately RMB28.37 million (after deduction of the relevant transaction costs). The Further Disposal was made based on the market price of Guangan Shares at the time of disposal.

Since the Further Disposal was made on the market, the Group does not aware of the identities of the buyers of the Disposal Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the buyers of the Disposal Shares and their respective ultimate beneficial owners is an Independent Third Party.

## **THE ACQUISITION**

The Company announces that from 16 October 2020 to 29 December 2020, Yujiage Co., an indirectly wholly-owned subsidiary of the Company, has acquired an aggregate of 14,279 Guangan Shares on the Shanghai Stock Exchange, representing approximately 0.0012% of the total issued shares of Guangan AAA as at 29 December 2020. The aggregate consideration of the Acquisition is approximately RMB47,000 (inclusive of relevant transaction costs). The Acquisition was made based on the market price of Guangan Shares at the time of acquisition.

Since the Acquisition was made on the market, the Group does not aware of the identities of the sellers of the Acquired Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the sellers of the Acquired Shares and their respective ultimate beneficial owners is an Independent Third Party.

After the Further Disposal and the Acquisition, Yujiage Co. holds in total 75,001,479 Guangan Shares, representing approximately 6.0865% of the total issued shares of Guangan AAA as at 29 December 2020.

## **INFORMATION OF GUANGAN AAA**

Guangan AAA is a joint stock company established in the PRC. It is principally engaged in production and supply of electricity, hydroelectric power and natural gas and supply of drinking water in the PRC. The shares of Guangan AAA are listed on the Shanghai Stock Exchange (SHA: 600979).

According to the published financial statements of Guangan AAA, its financial results for the two years ended 31 December 2019 and 2018, respectively are as follows:

	<b>For the year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(approximately)</i>	<i>(approximately)</i>
Net profit before taxation	302,478	318,239
Net profit after taxation	247,161	255,637

According to the published financial statements of Guangan AAA, the unaudited net asset value of Guangan AAA amounted to approximately RMB3,782.3 million as at 30 June 2020.

### **INFORMATION OF THE GROUP AND REASONS FOR THE FURTHER DISPOSAL AND THE ACQUISITION**

The Company is an investment holding company. Before 2014, the Group mainly engaged in automotive parts business. Since the end of 2014, the Group has started to set foot in the financial services business, which can provide services such as listing sponsorship, underwriting and placing, dealing in securities, financing consultancy, merger and acquisition agency, financial advisory, asset management, private equity fund management, credit financing, and migration finance. Since 2016, the Group has continued to diversify its business, and established a trinitarians interactive business mode, which capitalises on educational investment and operations as bases and educational management service and educational financial service as cradles with the mission of “Finance Empowers Education, Education Lights Up Future”. The Group aspires to become “a globally influential financial services group focusing on education”.

The interest in Guangan AAA were held by the Group as an investment. The Acquisition was investment of the Group while the purpose of the Further Disposal is to realise the investment of the Group and to improve the Group’s liquidity. As a result of the Further Disposal, the Group is expected to recognise an unaudited gain of approximately RMB750,000, which is determined on the basis of the difference between the carrying amount of the Disposal Shares as at 31 December 2019 (adjusted by the dividends received in 2020) and proceeds from the Further Disposal (after deduction of the relevant transaction costs). The Group intends to use the proceeds from the Further Disposal to repay the liabilities and for general working capital.

Having considered the above factors, the Directors consider that the Further Disposal and the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

Since the Further Disposal and the Acquisition were conducted within 12 months of the completion of the Previous Disposal, the Previous Disposal, the Further Disposal and the Acquisition were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of each of (i) the Previous Disposal (standing alone), (ii) the Further Disposal and the Acquisition (in aggregate) and (iii) the Previous Disposal, the Further Disposal and the Acquisition (in aggregate), is more than 5% but less than 25%, and thus each of (i) the Previous Disposal (standing alone), (ii) the Further Disposal and the Acquisition (in aggregate) and (iii) the Previous Disposal, the Further Disposal and the Acquisition (in aggregate), constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquired Shares”	an aggregate of 14,279 Guangan Shares acquired by Yujiage Co.
“Acquisition”	the acquisition of the Acquired Shares by Yujiage Co.
“Board”	the board of Directors
“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 with stock code of 1269
“Director(s)”	director(s) of the Company
“Disposal Shares”	an aggregate of 8,632,800 Guangan Shares disposed by Yujiage Co.
“Further Disposal”	the disposal of the Disposal Shares by Yujiage Co. from 16 October 2020 to 29 December 2020
“Group”	the Company and its subsidiaries
“Guangan AAA”	Sichuan Guangan AAA Public Co., Ltd.* (四川廣安愛眾股份有限公司), a joint stock company established in the PRC and the shares of which are listed on the Shanghai Stock Exchange (SHA: 600979)
“Guangan Shares”	ordinary shares of RMB1.00 each in the issued share capital of Guangan AAA

“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 a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Disposal”	the disposal of 7,380,000 Guangan Shares by Yujiage Co. from 25 September 2020 to 9 October 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yujiage Co.”	Sichuan Yujiage Hotel Management Limited* (四川裕嘉閣酒店管理有限公司), a company established in the PRC with limited liability, an indirectly wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 29 December 2020

*As at the date of this announcement, the executive Directors are Dr. Wilson Sea, Mr. Zhao Zhijun and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Dr. Du Xiaotang and Mr. Loo Cheng Guan.*

\* *For identification purpose only*