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**中國富佑集團有限公司**  
**China For You Group Company Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

## **PLACING OF NON-LISTED WARRANTS**

### **Placing Agent**



**天順證券投資有限公司**  
**SKYWAY SECURITIES INVESTMENT LIMITED**

### **THE WARRANT PLACING AGREEMENT**

On 19 May 2015 (after trading hours), the Company entered into the Warrant Placing Agreement with the Placing Agent in connection with the Warrant Placing, pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 657,000,000 Warrants conferring rights to subscribe for up to 657,000,000 Warrants Shares at the Warrant Exercise Price of HK\$0.4 per Warrant Share (subject to adjustment) to the Warrant Placees who and their respective ultimate beneficial owners are Independent Third Parties. Each Warrant carries the right to subscribe for one Warrant Share.

The Warrants are to be placed at HK\$0.1 each. The Warrant Placing is conditional upon several conditions as set out in the paragraph headed “Conditions of the Warrant Placing” in the section headed “The Warrant Placing Agreement” in this announcement.

The Warrant Shares will be issued under the General Mandate. The Warrant Placing is conditional upon (i) (if required) the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Warrant Placees shall reasonably object and the satisfaction of such conditions; (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Warrant Shares; and (iii) all necessary consents and approvals to be obtained on the part of Placing Agent and the Company in respect of the Warrant Placing Agreement and the transactions contemplated thereunder having been obtained.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

### **USE OF PROCEEDS**

It is expected that the aggregated net proceeds of approximately HK\$52.4 million (with a net issue price of approximately HK\$0.08 per Warrant) will be raised by the Warrant Placing and the same will be utilised by the Group as to approximately HK\$10 million for the trading business of the Group, as to approximately HK\$10 million for the money lending business of the Group, as to approximately HK\$10 million for investments and as to the balance of approximately HK\$22.4 million for the general working capital of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected up to approximately HK\$262.8 million will be raised, which will be used for general working capital and future business development of the Group.

## **THE WARRANT PLACING AGREEMENT**

### **Date**

19 May 2015 (after trading hours)

### **Issuer**

The Company

## **Placing Agent**

Skyway Securities Investment Limited, being an Independent Third Party.

The Placing Agent will charge the Company a placing commission equivalent to 4% of the aggregate of the Warrant Placing Price and the Warrant Exercise Price in respect of such number of Warrants successfully placed by the Placing Agent (subject to completion of the Warrant Placing) plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Warrant Placing. The Warrant Placing commission was negotiated on arm's length basis between the Company and the Placing Agent with reference to the prevailing market rate. The Directors consider that the terms of the Warrant Placing, including the Warrant Placing commission, are fair and reasonable based on the current market conditions and the Warrant Placing is in the interests of the Company and the Shareholders as a whole.

## **Warrant Placees**

To the best information, belief and knowledge of Directors, it is contemplated that there will be not less than six Warrant Placees who and whose ultimate beneficial owners (if applicable) are Independent Third Parties. In the event that there will be less than six Warrant Placees, the Company will make further announcement in accordance with the Listing Rules requirements.

## **Number of Warrants**

Up to 657,000,000 Warrants, conferring rights to the holder(s) thereof to subscribe up to 657,000,000 Warrant Shares.

## **Warrant Placing Price**

The Warrant Placing Price is HK\$0.1 for each Warrant. The Warrant Placing Price is determined after arm's length negotiations between the Company and the Placing Agent with reference to the valuation of HK\$0.098 per Warrant as at 30 April 2015 conducted by an independent valuer applying the binomial option pricing model on the assumptions that (a) risk free rate of 0.106% based on the yields of Hong Kong government bonds and treasury bills as extracted from Bloomberg; (b) dividend yield of 0% based on the historical record of the Company; (c) expected volatility of 73.381% with reference to the historical stock prices of the Company (excluding those with unusual trading volume movements) over the expected option period; and (d) risk free rate, dividend yield, expected volatility will stay constant throughout the valuation period.

## **Warrant Exercise Price**

The Warrant Exercise Price is HK\$0.4 per Warrant Share, subject to adjustment as a result of an alteration of the nominal amount of each Share by reason of any consolidation or subdivision.

The Warrant Exercise Price of HK\$0.4 per Warrant Share represents (i) a discount of approximately 1.23% to the closing price of HK\$0.405 per Share quoted on the Stock Exchange on the Last Trading Day, and (ii) a premium of approximately 3.36% over the average of the closing prices of HK\$0.387 per Share for the last five trading days for the Shares immediately prior to (but excluding) the Last Trading Day.

The aggregate of the Warrant Placing Price and the Warrant Exercise Price, i.e. HK\$0.5 per Warrant Share, represents (i) a premium of approximately 23.46% over the closing price of HK\$0.405 per Share quoted on the Stock Exchange on the Last Trading Day, and (ii) a premium of approximately 29.20% over the average of the closing prices of HK\$0.387 per Share for the last five trading days for the Shares immediately prior to (but excluding) the Last Trading Day.

The Warrant Placing Price and the Warrant Exercise Price are determined based on negotiations on arm's length basis between the Company and the Placing Agent with reference to the current market sentiment and the valuation of the Warrants. The Directors consider that the Warrant Placing Price and the Warrant Exercise Price are fair and reasonable.

## **The Warrant Placing Completion Date**

Completion of the Warrant Placing is expected to take place on any date falling on or before the fifth Business Day after fulfilment of the conditions precedent to the Warrant Placing.

## **Information of the Warrants**

The Warrants will be issued to the Warrant Placees upon completion of the Warrant Placing in registered form and constituted by a deed poll. Each of the Warrants will rank *pari passu* in all respects among themselves.

Each one (1) Warrant carries the right to subscribe for one (1) Warrant Share at the Warrant Exercise Price and is issued at the Warrant Placing Price.

The subscription rights attaching to the Warrant may be exercised at any time during a period of 12 months commencing from the date immediately after the date of issue of the Warrant. The Warrant Shares, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Shares of the Company.

A total of up to 657,000,000 Warrants are proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants, a total of up to 657,000,000 Warrant Shares will be issued, representing (i) approximately 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants assuming there being no other changes in the share capital of the Company.

### **Transferability**

Subject to compliance with all applicable laws and regulations and such other requirements that the Stock Exchange may impose from time to time, the Warrants are transferable in integral multiples of 1,000,000 Warrants (or if at the time of transfer, the outstanding number of Warrants are less than 1,000,000 Warrants, the whole but not part of the outstanding Warrants) provided that any transfer to connected persons (as defined under the Listing Rules) of the Company and their associate shall be subject to compliance with all applicable laws and regulations and such other requirements that the Stock Exchange may impose from time to time. Apart from the aforesaid, there are no restrictions on the transfer of the Warrants from the Warrant Placees to other parties.

### **Termination of the Warrant Placing Agreement**

The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the completion date of the Warrant Placing to terminate the Warrant Placing Agreement if

- (i) there develops, occurs or comes into force:
  - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Group as a whole; or

- (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Warrant Placing; or
- (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Warrant Placing; or
- (ii) any breach of any of the warranties given by the Company which in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Warrant Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Warrant Placing Agreement which in the reasonable opinion of the Placing Agent and in its absolute discretion is material in the context of the Warrant Placing; or
- (iii) save as previously disclosed in the announcements of the Company, there is any adverse change in the business or in the financial or trading position of the Group taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Warrant Placing; or

then and in any such case, the Placing Agent may, in its absolute and sole discretion, terminate the Warrant Placing Agreement without liability to the Company or any other party by giving notice in writing to the Company, which notice may be given at any time prior to the Warrant Placing Completion Date.

If the Warrant Placing Agreement is so terminated, all obligations of each party under the Warrant Placing Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter arising out of or in connection with the Warrant Placing Agreement except for any antecedent breach of any obligation mentioned in the Warrant Placing Agreement.

## **Conditions of the Warrant Placing**

Completion of the Warrant Placing Agreement is conditional on, among the other matters, the fulfillment of the following conditions on or before 8 June 2015 (or such later time and date as the Placing Agent and the Company shall agree in writing):

- (a) (if required) the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Warrant Placees shall reasonably object and the satisfaction of such conditions;
- (b) the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Warrant Placees shall reasonably object) the listing of, and permission to deal in, the Warrant Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants; and
- (c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Warrant Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that the above conditions are not fulfilled by 8 June 2015 or such later date as may be agreed between the Company and the Placing Agent, the Warrant Placing Agreement will lapse and become null and void and the parties shall be released from all obligations thereunder, save the liabilities for any antecedent breaches thereof.

## **Voting rights for the holders of the Warrants**

The holder of the Warrants will not have any right to attend or vote at any general meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

## **Rights of the holders of the Warrants on the liquidation of the Company**

If, however, at any time prior to the expiration of the Warrants and prior to their exercise, a dissolution, liquidation, or winding up of the Company shall be proposed, the Company shall give notice in writing of such event to the holders of the Warrant in accordance with conditions of the Warrants.

## **General Mandate to issue the Warrant Shares**

The issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants is not subject to Shareholder's approval.

The Warrant Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 21 July 2014 subject to the limit of 657,097,599 Shares (representing approximately 20% of the issued share capital of the Company as at 21 July 2014). Immediately before the date of the Warrant Placing Agreement, the General Mandate has not been utilized. Up to 657,000,000 Warrant Shares, to be allotted and issued upon full exercise of the subscription rights attaching to the Warrants, will utilise about 100% of the General Mandate.

## **Adjustment of Warrant Exercise Price**

The Warrant Exercise Price shall from time to time be adjusted upon alteration to the nominal amount of each of the Shares in the event of consolidation or subdivision only.

## **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

## **REASONS FOR THE WARRANT PLACING**

The Group is principally engaged in trading business and related services and trading of listed securities.

The Board considers that the Warrant Placing represents good opportunities to raise additional funds for the Group while broadening the Shareholder and capital base of the Company. In addition, the Warrants are not interest bearing and the Warrant Placing will not be resulted in any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that will be raised upon completion of the Warrant Placing, further capital will be raised upon the exercise of the subscription rights attaching to the Warrants by the holder thereof during the subscription period.



In view of the immediate inflow of approximately HK\$52.4 million upon completion of the Warrant Placing, coupled with the potential inflow of further capital upon the exercise of the subscription rights attaching to the Warrants, the Directors are of the view that the Warrant Placing provides a good opportunity to strengthen the Company's financial position. And in the event the Warrant Placees fully exercise their subscription rights attaching to the Warrants, further funds of up to approximately HK\$262.8 million will be received to cater for future needs for its general working capital and future business development of the Group.

In view of the above, the Board considers that the terms of the Warrant Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

It is expected that the aggregated net proceeds of approximately HK\$52.4 million (with a net issue price of approximately HK\$0.08 per Warrant) will be raised by the Warrant Placing, as to approximately HK\$10 million for the trading business of the Group, as to approximately HK\$10 million for the money lending business of the Group, as to approximately HK\$10 million for investments and as to the balance of approximately HK\$22.4 million for the general working capital of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected up to approximately HK\$262.8 million will be raised. The net proceeds of up to approximately HK\$262.8 million (with an average net subscription price of approximately HK\$0.4 per Warrant Share) will be used for general working capital and future business development of the Group.

## EQUITY FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
22 April 2014	Open offer of 1,095,162,666 offer Shares at the subscription price of HK\$0.04 per Share each on the basis of one offer Share for every two existing Shares held on record date of 13 May 2014 and the open offer was completed on 17 June 2014	Approximately HK\$41.8 million	as to (i) approximately HK\$15.0 million as a reserve for the repayment of the amount due to its then controlling shareholder, Able Success Asia Limited; (ii) approximately HK\$10.0 million for trading business for health products in Hong Kong; (iii) approximately HK\$10.0 million for the injection of capital into a wholly-owned subsidiary in the PRC for trading business of metal and other raw materials; and (iv) approximately HK\$6.8 million for general working capital of the Group and the future investments opportunities of the Group if suitable activities are identified.	The net proceeds has been applied as to (i) approximately HK\$15.0 million as a reserve for the repayment of the amount due to its then controlling shareholder, Able Success Asia Limited; (ii) approximately HK\$22.95 million for trading business of the Group; (iii) approximately HK\$3.9 million for the injection of capital into a wholly-owned subsidiary in the PRC for trading business.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company, the changes of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon exercise of the subscription rights attaching to the Warrants in full are as follows:

Shareholders	As at the date of this announcement		Immediately upon exercise of the subscription rights attached to the Warrants in full	
	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>
Chinese Top Holdings Limited	349,180,000	10.63%	349,180,000	8.86%
Mr. Chen Huaide	82,920,000	2.52%	82,920,000	2.10%
<i>Public Shareholders</i>				
The Warrant Placees	–	–	657,000,000	16.66%
Other Shareholders	<u>2,853,387,998</u>	<u>86.85%</u>	<u>2,853,387,998</u>	<u>72.38%</u>
Total:	<u><u>3,285,487,998</u></u>	<u><u>100.00%</u></u>	<u><u>3,942,487,998</u></u>	<u><u>100.00%</u></u>

### Notes:

1. The shareholding of the Warrant Placees only refers to the Warrants Shares which may be issued upon exercising of the subscription rights attaching to the Warrants, without taking into account any existing shareholdings of the Warrant Placees which they may have in the Company.
2. Mr. Chen Huaide is the Chairman and an executive Director of the Company.

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China For You Group Company Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting held on 21 July 2014, pursuant to which a maximum of 657,097,599 new Shares may fall to be allotted and issued
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties which are not connected persons (as defined under the Listing Rules) of the Company and are independent of the Company and its connected persons (as defined under the Listing Rules)
“Last Trading Day”	19 May 2015, being the last trading day for the Shares immediately before the issue of this announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent”	Skyway Securities Investment Limited, the placing agent and a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	up to 657,000,000 non-listed warrants to be issued by the Company at the Warrant Placing Price, each entitles the holder thereof to subscribe up to HK\$262,800,000 for Warrant Shares at the Warrant Exercise Price at any time during a period of 12 months commencing from the date of issue of the Warrants
“Warrant Exercise Price”	an initial exercise price of HK\$0.4 per Warrant Share (subject to adjustment) at which holder of the Warrants may subscribe for the Warrant Share(s)
“Warrant Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Warrants pursuant to the Warrant Placing Agreement
“Warrant Placing”	the placing, on a best effort basis, of up to 657,000,000 Warrants pursuant to the terms of the Warrant Placing Agreement

“Warrant Placing Agreement”	the conditional placing agreement dated 19 May 2015 and entered into between the Company and the Placing Agent in relation to the Warrant Placing
“Warrant Placing Completion Date”	any date falling on or before the fifth Business Day after the conditions to Warrants Placing are satisfied (or such later date as may be agreed between the parties thereto)
“Warrant Placing Price”	HK\$0.1 per Warrant, being the issue price for each Warrant, payable in full on application under the Warrant Placing Agreement
“Warrant Shares”	up to 657,000,000 new Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**China For You Group Company Limited**  
**Chen Huaide**  
*Chairman*

Hong Kong, 19 May 2015

*As of the date of this announcement, the Board comprises (i) five executive Directors, namely Mr. Chen Huaide, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Yang Yang, Mr. Yu Qingrui; and (ii) three independent non-executive Directors, namely Mr. Chan Yee Por, Simon, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.*