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中持基業控股有限公司
Kate China Holdings Limited

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(incorporated in Hong Kong with limited liability)

(Stock Code: 8125)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions precedent to the Placing have been fulfilled and the completion of the Placing took place on 5 July 2016, and all the 33,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$2.45 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement (the “**Announcement**”) of Kate China Holdings Limited (the “**Company**”) dated 14 June 2016 in respect of the Placing. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING

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To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are Independent Third Parties. None of the Placees has become a substantial Shareholder (as defined under the GEM Listing Rules) immediately after the completion of the Placing. The net proceeds from the Placing, after deducting the placing commission and other expenses in connection with the Placing from the gross proceeds, is approximately HK\$78.5 million which is intended to be used for the Group's general working capital and/or other potential business development opportunities as considered appropriate, including but not limited to the application of at least HK\$30 million of the net proceeds for carrying out the money lending business intended to be undertaken by the Group, when it is realised and commenced. As at the date hereof, the Company, through a wholly-owned subsidiary, is in the course of applying for money lender license under the Money Lenders Ordinance (Cap. 163, Laws of Hong Kong).

EFFECTS ON SHAREHOLDING STRUCTURE

The 33,000,000 Placing Shares represent (i) 10.00% of the issued shares of the Company immediately before the completion of the Placing; and (ii) approximately 9.09% of the issued shares of the Company as enlarged by the allotment and issue of the Placing Shares.

Set out below is the shareholding structure of the Company immediately before and after completion of the Placing:

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	No. of shares	Approx. %	No. of shares	Approx. %
Directors and substantial Shareholders				
Time Vanguard Holdings Limited (Note 1)	50,000,000	15.15	50,000,000	13.77
Good Virtue Capital Limited (Note 2)	47,000,000	14.24	47,000,000	12.95
Mr. Liu Rongsheng (Note 3)	5,000,000	1.52	5,000,000	1.38
Genius Idea Holdings Limited (Note 4)	20,000,000	6.06	20,000,000	5.51
Public Shareholders				
Placees and other public Shareholders	<u>208,000,000</u>	<u>63.03</u>	<u>241,000,000</u>	<u>66.39</u>
Total	<u>330,000,000</u>	<u>100.00</u>	<u>363,000,000</u>	<u>100.00</u>

Notes:

- Time Vanguard Holdings Limited is wholly-owned by Huarong (HK) International Holdings Limited. Huarong (HK) International Holdings Limited is jointly-owned as to 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. and 88.1% by Huarong Real Estate Co., Ltd. Each of Huarong Zhiyuan Investment & Management Co., Ltd. and Huarong Real Estate Co., Ltd. is wholly-owned by China Huarong Asset Management Co., Ltd.
- Ms. Zheng Juhua is interested in 70% of the share capital of Good Virtue Capital Limited.

3. Mr. Liu Rongsheng is an executive Director.
4. Mr. Chan Tat Wah is director of certain of the Company's subsidiaries. He is interested in 100% of the share capital of Genius Idea Holdings Limited.

By Order of the Board
Kate China Holdings Limited
Chan Chi Yuen
Chairman

Hong Kong, 5 July 2016

As at the date of this announcement, the executive Directors are Mr. Chan Chi Yuen (Chairman), Mr. Tsang Kei Cheong (Chief Executive Officer) and Mr. Liu Rongsheng; and the independent non-executive Directors are Mr. Chan Chiu Hung Alex, Mr. Wu Zhao and Mr. Lam Cheok Va.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 on the website of the Company at www.katechina.hk.