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Reference is made to the prospectus of the Company dated 30 June 2016 (the “Prospectus”). Unless the context otherwise requires, terms and expressions used herein shall have the same meanings as defined in the Prospectus.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares or other securities of the Company. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

China Golden Classic Group Limited

中國金典集團有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares	:	250,000,000 Shares
Placing Price	:	HK\$0.43 per Placing Shares (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
Nominal Value	:	HK\$0.01 each
Stock Code	:	8281

Sponsor



Joint Bookrunners and Joint Lead Managers



- The Placing Price has been determined at HK\$0.43 per Placing Share (excluding brokerage of 1.00%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.43 per Placing Share, the net proceeds to be received by the Company from the Placing (after deducting the underwriting fees and other expenses) are estimated to be approximately HK\$76.2 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set out in the section headed “Statement of Business Objectives and Use of Proceeds” in the Prospectus.
- The 250,000,000 Placing Shares offered by the Company under the Placing have been moderately over-subscribed.
- The 250,000,000 Placing Shares (representing 25% of the enlarged issued share capital of the Company immediately after completion of the Placing) have been conditionally allocated to a total of 151 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief: (i) all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates; (ii) none of the placees is a person or a group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing; (iii) none of the Placing Shares subscribed by the placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; and (iv) none of the placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing. The Directors also confirm that there will not be any new substantial shareholder (as defined under the GEM Listing Rules) of the Company immediately after completion of the Placing.
- The Directors confirm that, immediately after completion of the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules. The public float of the Company will be 25% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 8 July 2016. The Shares will be traded in board lots of 8,000 Shares each. The stock code for the Shares is 8281.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

PLACING PRICE AND USE OF PROCEEDS

Pursuant to the Price Determination Agreement entered into between the Company and First Shanghai Securities Limited (for itself and on behalf of the Underwriters) dated 5 July 2016, the Placing Price was agreed to be HK\$0.43 per Placing Share (excluding brokerage of 1.00%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, are estimated to be approximately HK\$76.2 million. The Directors intend to apply such net proceeds from the Placing in the following manner:

- approximately HK\$29.0 million (or approximately 38%) of the net proceeds in expanding our production and warehousing capacity;
- approximately HK\$18.3 million (or approximately 24%) of the net proceeds in advertisement and promotional activities;
- approximately HK\$16.0 million (or approximately 21%) of the net proceeds in expanding our distribution network;
- approximately HK\$6.1 million (or approximately 8%) of the net proceeds in enhancing our research and development capabilities; and
- the remaining amount of approximately HK\$6.8 million (or approximately 9%) in the net proceeds as our working capital and other general corporate purposes.

Further details are set out in the section headed “Statement of Business Objectives and Use of Proceeds” of the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 250,000,000 Placing Shares offered by the Company under the Placing have been moderately over-subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 250,000,000 Placing Shares (representing 25% of the enlarged issued share capital of the Company immediately after completion of the Placing) have been conditionally allocated to a total of 151 selected professional, institutional and other investors. A total of 115 placees have been allotted six board lots of Shares or less, representing approximately 76.2% of the total number of placees under the Placing. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing
Top placee	49,000,000	19.60%	4.90%
Top 5 placees	144,856,000	57.94%	14.49%
Top 10 placees	204,856,000	81.94%	20.49%
Top 25 placees	245,720,000	98.29%	24.57%
Number of Placing Shares allocated			Number of placees
8,000 to 100,000			120
100,001 to 1,000,000			14
1,000,001 to 5,000,000			4
5,000,001 to 10,000,000			4
10,000,001 and above			9
Total:			151

The Directors confirm that, to the best of their knowledge and belief: (i) all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates; (ii) none of the placees is a person or a group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing; (iii) none of the Placing Shares subscribed by the placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; and (iv) none of the placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of

any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing. The Directors also confirm that there will not be any new substantial shareholder (as defined under the GEM Listing Rules) of the Company immediately after completion of the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules. The public float of the Company will be 25% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

Pursuant to Rule 11.23(2)(b) of the GEM Listing Rules, the Shares in public hands should, as at the time of Listing, be held among at least 100 persons.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Friday, 8 July 2016) or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies for the Placing Shares. No temporary documents or evidence of title will be issued by the Company.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or before Thursday, 7 July 2016 for credit to the respective CCASS participants' stock accounts or investor participants' stock accounts of the Underwriters, the placees or their respective agents (as the case may be). Prospective investors of the Placing Shares should note that the Sponsor and/or First Shanghai Securities Limited (for itself and on behalf of the Underwriters) is entitled to terminate the

Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events set out in “Underwriting – Underwriting Arrangements and Expenses – Grounds for termination” of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Friday, 8 July 2016). In the event that the Underwriting Agreement is terminated, the Placing will lapse and thereafter, all monies received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.goldenclassicbio.com accordingly. All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms and conditions prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Friday, 8 July 2016).

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 8 July 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.goldenclassicbio.com. Shares will be traded in board lots of 8,000 Shares each. The stock code for the Shares is 8281.

For and on behalf of
China Golden Classic Group Limited
Li Qiuyan
Chairman

Hong Kong, 7 July 2016

As at the date of this announcement, the executive Directors are Ms. Li Qiuyan, Mr. Tong Xing, Ms. Du Yongwei and the independent non-executive Directors are Mr. Ye Jingzhong, Mr. Qian Zaiyang and Mr. Tang Wai Yau.

This announcement, for which all the Directors jointly and severally 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 matters the omission of which would make any statement in this announcement misleading.

This announcement and a copy of the Prospectus will remain on the Stock Exchange’s website at www.hkexnews.hk and in the case of this announcement, on the “Latest Company Announcements” page for at least 7 days from the day of its posting. This announcement and a copy of the Prospectus will also be published on the Company’s website at www.goldenclassicbio.com.