

*Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated Thursday, 27 October 2016 (the “Prospectus”) issued by China Art Financial Holdings Limited (the “Company”).*

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus for detailed information about the Company, the Hong Kong Public Offering and the International Placing described below before deciding whether or not to invest in the Shares.*

*This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended from time to time (the “U.S. Securities Act”). The Shares may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the U.S. Securities Act. There will be no public offer of Shares in the United States. The Offer Shares are being offered and sold outside the United States as offshore transactions in accordance with Regulation S under the U.S. Securities Act.*

*In connection with the Global Offering, South China Securities Limited, as stabilising manager (the “Stabilising Manager”), its affiliates or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect transactions with a view of stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period beginning on the Listing Date. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it to conduct such stabilising action, which, if commenced, will be conducted at the sole and absolute discretion of the Stabilising Manager, its affiliates or any person acting for it and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on Thursday, 1 December 2016 being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. Such stabilisation action, if commenced may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).*

*No such stabilising action can be taken to support the price of the Shares for longer than the stabilisation period which begins on the Listing Date and is expected to expire on Thursday, 1 December 2016, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, no further stabilising action may be taken, and demand for the Shares, and therefore the trading price of the Shares, could fall.*

# China Art Financial Holdings Limited

中國藝術金融控股有限公司

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

## GLOBAL OFFERING

- Number of Shares offered under the Global Offering** : 400,000,000 Shares (subject to adjustment and the Over-allotment Option)
- Number of Hong Kong Offer Shares** : 40,000,000 Shares (subject to adjustment)
- Number of International Placing Shares** : 360,000,000 Shares (subject to adjustment and the Over-allotment Option)
- Maximum Offer Price** : HK\$0.75 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund on final pricing)
- Nominal Value** : HK\$0.01 per Share
- Stock Code** : 1572

Sole Sponsor, Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager



Application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as described in the Prospectus, including the Shares to be issued pursuant to: (i) the Capitalisation Issue; (ii) the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (iii) any exercise of the share options that may be granted under the Share Option Scheme. Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 8 November 2016. In the event the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website ([www.cnartfin.com.hk](http://www.cnartfin.com.hk)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

The Global Offering comprises the: (1) Hong Kong Public Offering of 40,000,000 Shares (subject to adjustment), representing 10% of the Offer Shares initially available under the Global Offering; and (2) International Placing of initially 360,000,000 Shares (subject to adjustment and the Over-allotment Option), representing 90% of the Offer Shares initially available under the Global Offering. The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing will be subject to adjustment as described in the section headed "Structure of the Global Offering" in the Prospectus.

In connection with the Global Offering and pursuant to the International Underwriting Agreement, the Company is expected to grant an Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator (for itself and on behalf of the Underwriters), pursuant to which the Company will be required to allot and issue up to 60,000,000 additional Shares, representing 15% of the number of the Offer Shares initially available under the Global Offering, at the Offer Price to cover, among other things, over-allocations in the International Placing, if any.

Subject to the granting of the approval for listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange and compliance 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 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 to enable the Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$0.75 per Offer Share and is currently expected to be not less than HK\$0.60 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$0.75 per Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$0.75 per Offer Share.

**Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and the Application Forms and the designated website ([www.eipo.com.hk](http://www.eipo.com.hk)) for the White Form eIPO.** Applicants who would like to have the allotted Hong Kong Offer Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms, or (ii) submit applications

online through the designated website of the **White Form eIPO** Service Provider at [www.eipo.com.hk](http://www.eipo.com.hk) under the **White Form eIPO** service. Applicants who would like to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Thursday, 27 October 2016, until 12:00 noon on Tuesday, 1 November 2016 from:

- any of the following offices of the **Hong Kong Underwriters**:

<b>South China Securities Limited</b>	28/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong
<b>Mason Securities Limited</b>	Portion 1, 12/F, The Center, 99 Queen's Road Central, Hong Kong
<b>Resources Securities Limited</b>	6/F, Winbase Centre, 208-220 Queen's Road Central, Hong Kong

- any of the following branches of **Bank of Communications Co., Ltd. Hong Kong Branch**:

	<b>Branch name</b>	<b>Address</b>
<b>Hong Kong Island</b>	Hong Kong Branch	20 Pedder Street, Central
	Taikoo Shing Sub-Branch	Shop 38, G/F., CityPlaza 2, 18 Taikoo Shing Road
<b>Kowloon</b>	Hunghom Sub-Branch	Shop A6, G/F., Whampoa Estate Planet Square, 1-3 Tak Man Street
	Wong Tai Sin Sub-Branch	Shop N118, 1/F., Temple Mall North, 136 Lung Cheung Road, Wong Tai Sin
<b>New Territories</b>	Yuen Long Sub-Branch	Shop 2B, G/F., Man Yu Building, 2-14 Tai Fung Street, Yuen Long

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Thursday, 27 October 2016 until 12:00 noon on Tuesday, 1 November 2016 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or your stockbroker, who may have such Application Forms and the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in all respects in accordance with the instructions printed thereon, together with a cheque or banker's cashier order attached and marked payable to "**Bank of Communications (Nominee) Co. Ltd. — China Art Financial Public Offer**" for the payment, should be securely stapled and deposited in the special collection boxes provided at any of the branches of the receiving bank listed above on such dates and during such time as specified on the Application Forms as follows:

**Thursday, 27 October 2016: 9:00 a.m. to 5:00 p.m.**  
**Friday, 28 October 2016: 9:00 a.m. to 5:00 p.m.**  
**Saturday, 29 October 2016: 9:00 a.m. to 1:00 p.m.**  
**Monday, 31 October 2016: 9:00 a.m. to 5:00 p.m.**  
**Tuesday, 1 November 2016: 9:00 a.m. to 12:00 noon**

Applicants applying by **White Form eIPO** may submit applications through the **White Form eIPO** Service at ([www.eipo.com.hk](http://www.eipo.com.hk)) (24 hours daily, except on the last application day) from 9:00 a.m. on Thursday, 27 October 2016 until 11:30 a.m. on Tuesday, 1 November 2016 or such later time as described in the section "How to Apply for the Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Thursday, 27 October 2016 until 12:00 noon on Tuesday, 1 November 2016 (24 hours daily, except on Saturday, 29 October 2016 until Sunday, 30 October 2016 and on the last application day) or such later time as described in the section "How to Apply for the Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

**Thursday, 27 October 2016: 9:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Friday, 28 October 2016: 8:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Monday, 31 October 2016: 8:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Tuesday, 1 November 2016: 8:00 a.m.<sup>(1)</sup> to 12:00 noon**

*Note:*

1. These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

Please refer to the sections headed "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to publish the announcement on the final Offer Price, the level of indications of interest in the International Placing, the level of applications under the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Monday, 7 November 2016 (i) in the Standard (in English); (ii) in the Hong Kong Economic Times (in Chinese); (iii) on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and (iv) on the Company's website ([www.cnartfin.com.hk](http://www.cnartfin.com.hk)). The results of allocations and the Hong

Kong identity card/ passport/ Hong Kong business registration numbers of successful applicants (where appropriate) under the Hong Kong Public Offering will be available through a variety of channels from Monday, 7 November 2016 as described in the section “How to Apply for the Hong Kong Offer Shares — 11. Publication of Results” in the Prospectus.

The Company will not issue temporary documents of title in respect of the Shares. Share certificates will only become valid at 8:00 a.m. on Tuesday, 8 November 2016 provided that the Global Offering has become unconditional and the right of termination described in the section “Underwriting” in the Prospectus has not been exercised. No receipt will be issued for sums paid on application. Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 8 November 2016. The Shares will be traded in board lots of 4,000 Shares each. The stock code of the Company is 1572.

On behalf of the Board of Directors  
**China Art Financial Holdings Limited**  
**Fan Zhijun**  
*Chairman*

Hong Kong, 27 October 2016

*As at the date of this announcement, the Board of Directors of the Company comprises: (1) Mr. Fan Zhijun and Mr. Zhang Bin as the executive Directors and (2) Mr. Leung Shu Sun, Sunny, Mr. Liu Jian and Mr. Chu Xiaoliang as the independent non-executive Directors.*

*Please also refer to the published version of this announcement in the Standard (in English) and the Hong Kong Economic Times (in Chinese).*