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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 FORMATION AND SUBSCRIPTION OF A TRUST

On 17 February 2017 (after trading hours), (i) PAM as trustee and CFCG Australia as initial manager entered into the Trust Deed in relation to the formation of the Trust; and (ii) CFCG Australia as an applicant entered into the Subscription Deed in relation to the subscription of Units of the Trust.

Since the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the subscription of Units of the Trust exceeds 5% but is less than 25%, the subscription of Units of the Trust constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the subscription of Units of the Trust is subject to the notification and announcement requirements under the Listing Rules.

On 17 February 2017 (after trading hours), (i) PAM as trustee and CFCG Australia as initial manager entered into the Trust Deed in relation to the formation of the Trust; and (ii) CFCG Australia as an applicant entered into the Subscription Deed in relation to the subscription of Units of the Trust.

TRUST DEED

The principal terms of the Trust Deed are as follows:

Date: 17 February 2017 (after trading hours)

Parties: PAM as trustee

CFCG Australia as initial manager

CFCG Australia is a wholly-owned subsidiary of the Company. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of PAM and its ultimate beneficial owners is an Independent Third Party.

Formation of the Trust:	PAM as trustee and CFCG Australia as initial manager form the Trust pursuant to the Trust Deed.
Name of the trust:	First Capital Australia Education Master Fund or such other name as the Trustee may from time to time determine.
Term of the Trust:	A term of 80 years (less one day) to be commenced on the date when PAM issues the first Unit of the Trust.
Powers and duties of PAM as trustee:	PAM as trustee shall have the general powers to exercise all the powers of an individual and a body corporate within and outside Australia and manage and control the fund and business of the Trust on behalf of the Trust. In addition, PAM also has the specific powers, among others, (i) to incur outgoings on behalf of the Trust and pay outgoings incurred by it on behalf of the Trust; (ii) to commence or defend litigation that relates to the Trust or any part of the fund of the Trust, to prosecute, settle or compromise claims against it in its capacity as trustee; (iii) to invest in, or enter into, any currency hedging, interest rate hedging, direct securities hedging or commodity hedging arrangements on behalf of the Trust to reduce or eliminate the risk of changes in the value of any part of the trust fund; and (iv) in the ordinary course of business of the Trust, to borrow money, obtain other financial accommodation, guarantee obligations of others or incur lease obligations in its capacity as trustee.
Liability of each holder of the Units:	The total liability of each holder of the Units shall not exceed the amount of the subscription money of the Units.
Capital contribution:	<p>The beneficial interest in the Trust is divided into Units. As expected by PAM, the Trust will issue not less than 212,000,000 Units and the subscription price of each Unit is AUD1.00.</p> <p>Pursuant to the Trust Deed, subscription of the Units shall be made by way of a subscription deed executed by an applicant and the subscription money shall be paid in a form acceptable to the Trustee.</p> <p>It is intended that the total capital contribution of CFCG Australia will be applied by the Trust to subscribe for the shares of G8 Education, a company listed on the Australian Securities Exchange. Upon completion of such subscription, the Trust will become a named holder of the shares of G8 Education.</p>
Distribution of income of the Trust:	Each holder of the Units is entitled to the income of the Trust on a pro rata basis according to its beneficial interest in the Trust.

Manager of the Trust:	PAM will appoint CFCG Australia as a manager of the Trust pursuant to the Investment Management Deed. CFCG Australia will be responsible for the management of fund and investment of the Trust.
Investment Committee:	PAM will appoint an investment committee of the Trust to review and approve investments and divestments by the Trustee on behalf of the Trust. The investment committee will consist of persons nominated by the Trustee, the Manager and the holders of Units in accordance with supplemental procedures determined by the Trustee and Manager and notified to the holders of the Units.
Trustee fee:	PAM (as trustee of the Trust) will be entitled to a trustee fee of 0.6% per annum (exclusive of the goods and services tax of Australia) of the total gross asset value of the Trust.
Management fee of the manager of the Trust:	CFCG Australia (as manager of the Trust) will be entitled to a management fee of 1.4% per annum (exclusive of the goods and services tax of Australia) of the total gross asset value of the Trust.

SUBSCRIPTION DEED

The principal terms of the Subscription Deed are as follows:

Date:	17 February 2017 (after trading hours)
Applicant:	CFCG Australia
Subscription:	CFCG Australia shall subscribe for 63,841,784 Units, representing (i) 100% of the total number of Units immediately after issue of the Units by the Trustee; and (ii) approximately 30% of the total number of Units, assuming that all the Units (being not less than 212,000,000 Units) are issued by PAM as intended. In respect of the subscription of 63,841,784 Units, the total subscription money payable by CFCG Australia is AUD63,841,784 (equivalent to approximately HK\$381,140,000) and shall be payable by CFCG Australia by bank transfer upon application for the Units on or before 24 February 2017. Such capital commitment was determined after arms' length negotiations between PAM and CFCG Australia with reference to the capital requirement of the Trust.

The Group intends to fund its capital contribution from its internal resources.

The Company's management, after having discussed with the auditor of the Company, consider that the Trust will not be treated or regarded as a subsidiary of the Company and the Units to be held by CFCG Australia will be treated as investment of the Company.

INFORMATION OF PAM

PAM is a company incorporated in Australia and is a subsidiary of Phillip Brokerage Pte Ltd., a company incorporated in Singapore which is engaged in the provision of, among others, wealth management, stockbroking services and fund management services. PAM is engaged in the wholesale financial services business with its head of operations in Australia.

INFORMATION OF THE GROUP AND CFCG AUSTRALIA

The Company is an investment holding company. Before 2014, the Group was mainly engaged in automobile component business. Since the end of 2014, the Group has started moving into certain new businesses, including asset management services, financial credit services, securities brokerage services and migration financial services. The Group continues to diversify its business by stepping up its efforts in the aforesaid businesses and developing its education investment business.

CFCG Australia, a wholly-owned subsidiary of the Company, is a company incorporated in Australia with limited liability and is principally engaged in investment holding and the provision of management services to the Trust.

REASONS FOR FORMATION AND SUBSCRIPTION OF THE TRUST

The management of the Group considers that education business around the world is at a rapid growing stage with promising prospect, and it is the optimal time for the Group to expand its business by seizing market opportunities globally.

G8 Education, a leading provider of quality care and education facilities across Australia and Singapore through a range of well-respected and recognised brands, is the largest for-profit child care operator in Australia. As of 30 June 2016, it operated 498 centres, of which 478 centres in Australia and 20 centres in Singapore, bringing the total licensed places to 37,045.

Having considered that the capital contribution of the Trust will be applied to subscribe for the shares of G8 Education, the subscription of Units of the Trust provides an entry point for the Group to invest in the global education industry in accordance with its education investment blueprint. The Directors consider that the formation of the Trust, the subscription of Units of the Trust and the participation of CFCG Australia as a manager of the Trust are expected to promote the brand image and market recognition of the Group, which are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the subscription of Units of the Trust exceeds 5% but is less than 25%, the subscription of Units of the Trust constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the subscription of Units of the Trust is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“AUD”	Australian dollar(s), the lawful currency of Australia
“Board”	the board of Directors
“CFCG Australia” or “Manager”	CFCG Investment Partners International (Australia) Pty Ltd, a company incorporated in Australia with limited liability and a wholly-owned subsidiary of the Company
“Company”	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed and traded on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“G8 Education”	G8 Education Limited, a public listed company limited by shares, incorporated, and domiciled in Australia whose shares are listed on the Australian Securities Exchange under the ticker code GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected with the Company and its connected persons and not a connected person of the Company
“Investment Management Deed”	an investment management deed to be entered into between PAM as trustee and CFCG Australia as manager in relation to the management of the Trust

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PAM” or “Trustee”	Phillip Asset Management Limited, an unlisted public company incorporated in Australia and an Independent Third Party
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Deed”	a subscription deed dated 17 February 2017 executed by CFCG Australia as unitholder in relation to the subscription of the Units of the Trust
“Trust”	a trust set up by PAM as trustee and CFCG Australia as initial manager pursuant to the Trust Deed under the name of First Capital Australia Education Master Fund
“Trust Deed”	a trust deed dated 17 February 2017 entered into between PAM as trustee and CFCG Australia as initial manager in relation to the formation of the Trust
“Units”	the beneficial interest in the Trust which is divided into units
“%”	per cent

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

Hong Kong, 17 February 2017

As at the date of this announcement, the executive Directors are Mr. Wilson Sea, Mr. Zhao Zhijun, Mr. Tang Mingyang, Mr. Yan Haiting and Ms. Li Dan; the non-executive Director is Mr. Li Hua; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang and Mr. Chen Gang.