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UPDATES ON USE OF PROCEEDS FROM THE SUBSCRIPTIONS COMPLETED ON 5 JULY 2016 AND 24 AUGUST 2016

Reference is made to the annual report for the year ended 31 March 2017 published by Vestate Group Holdings Limited (the “**Company**”) on 26 July 2017 (the “**Annual Report**”) and the announcements (the “**Announcements**”) dated 24 June 2016, 5 July 2016 and 8 August 2016 respectively in relation to the subscription of convertible bonds in the principal amount of HK\$30,000,000 (the “**First Subscription**”) and HK\$150,000,000 (the “**Second Subscription**” and together with the First Subscription, the “**Subscriptions**”) respectively under general mandate. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Annual Report.

The net proceeds from the Subscriptions were approximately HK\$175,800,000 (the “**Proceeds**”). The breakdown of the Company’s actual use of the Proceeds as at 31 March 2017 was as follows:

Intended use of the Proceeds as disclosed in the Announcements <i>(approximately)</i>	Actual use of the Proceeds from the Completion to 31 March 2017 <i>(approximately)</i>
HK\$28.9 million for general working capital and future business development of the Company	(i) HK\$0.9 million for the interest payment of the First Subscription; and (ii) HK\$28 million for the payment of salary and rental expenses for the operation of the existing businesses of the Group
HK\$146.9 million for the development of the “One Belt, One Road” related business and other future acquisitions	(i) HK\$102.1 million for the development of “One Belt, One Road” related businesses; (ii) HK\$3.1 million for other acquisitions; (iii) HK\$8.9 million for the interest payment of the Second Subscription; and (iv) HK\$32.8 million has not been utilized

By order of the Board
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

Hong Kong, 23 February 2018

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. ZHU Xiaojun
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent Non-executive Directors:

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho