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MOMENTUM FINANCIAL
HOLDINGS LIMITED
正乾金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

**SUPPLEMENTARY ANNOUNCEMENT
IN RELATION TO
ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Reference is made to the announcement of Momentum Financial Holdings Limited (the “**Company**”) dated 14 June 2019 in relation to the issue of Convertible Bonds under General Mandate (the “**Announcement**”) and the announcement dated 17 June 2019 in relation to trading halt. Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcement.

BACKGROUND

As mentioned in the Announcement, on 14 June 2019, the Company entered into the Subscription Agreement with the Subscriber, Great River Capital Limited pursuant to which the Company shall conditionally issue and the Subscriber shall subscribe for and pay for the convertible bonds in the aggregate principal amount of HK\$35,000,000 at a price of 100% of the HK\$ principal amount of the convertible bonds issued under the Subscription Agreement.

SUPPLEMENTAL AGREEMENT

On 17 June 2019 (after trading hours), the Company and the Subscriber entered into a supplemental agreement (the “**Supplemental Agreement**”) to the Subscription Agreement, pursuant to which certain terms and conditions of the Subscription Agreement are amended with effect from the date of signing of the Supplemental Agreement as follows:

Convertible Bonds: the convertible bond(s) in the aggregate principal amount of HK\$39,000,000 to be issued by the Company to the Subscriber subject to the provisions of the terms and conditions thereon.

Interest: Each Convertible Bond will bear interest at the rate of 5% per annum from the Issue Date.

Conversion price: HK\$0.2 per Conversion Share, subject to adjustment(s) upon occurrence of certain events set out in the Announcement and shall not be less than the par value of a Share.

The Conversion Price represents:

- (i) a premium of approximately 9.29% to the closing price of HK\$0.183 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement and the Supplemental Agreement;
- (ii) a premium of approximately 5.15% to the average closing price of approximately HK\$0.1902 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement;
- (iii) a premium of approximately 3.20% to the average closing price of approximately HK\$0.1938 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Supplemental Agreement; and
- (iv) a premium of approximately 189.86% to the net asset value per Share of approximately HK\$0.069 as at year ended 31 December 2018 based on the annual report of the Company dated 22 March 2019.

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the current market sentiment and the prevailing market prices of the Shares as quoted on the Stock Exchange, and the net asset value per Share.

The Conversion Price was adjusted as the initial Conversion Price which is at a discount does not meet the requirement of the Listing Rules.

Conversion Shares: Based on the Conversion Price, a maximum number of 195,000,000 Conversion Shares may fall to be allotted and issued upon exercise by the Bondholders of the Conversion Rights in full, which represent approximately 19.86% of the existing issued share capital of the Company and approximately 16.57% of the issued share capital of the Company as enlarged by the issue of all the Conversion Shares.

Limitation on Adjustment: If any adjustment made to the Conversion Price would require the Company to allot and issue Shares in excess of 196,400,000 unissued Shares under the General Mandate, the Bondholders would be entitled to convert up to the maximum of 196,400,000 Conversion Shares and all remaining portion of the principal amount will be redeemed on a dollar-to-dollar basis plus interest accrued on the conversion date of the Convertible Bonds.

Transferability the Convertible Bonds may be assigned or transferred to any third party (whether he/she/it is a connected person (as that term is defined in the Listing Rules) of the Company), subject to compliance of the conditions hereunder and further subject to the conditions, approvals, requirements and any other provisions of or under:

- (a) the Stock Exchange (and any other stock exchange on which the Shares may be listed at the relevant time) or their rules and regulations (including any approval that may be required from the Stock Exchange in case the Convertible Bond (or part thereof) is transferred or assigned to a connected person of the Company);
- (b) the approval for listing in respect of the Conversion Shares; and
- (c) all applicable laws and regulations.

Save as disclosed above, there is no material change to the terms of the Subscription Agreement and all terms and conditions of the Subscription Agreement remain unchanged and in full force and effect.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon full conversion of the Convertible Bonds are set out as follows as a result of the entry into the Supplemental Agreement:

	As at the date of this announcement		Upon full conversion of the Convertible Bonds	
	<i>Number of Shares</i>	<i>approx. % of shareholding</i>	<i>Number of Shares</i>	<i>approx. % of shareholding</i>
Triumph Hope Limited (<i>Note</i>)	501,330,000	51.05%	501,330,000	42.59%
The Subscriber	—	—	195,000,000	16.57%
Public Shareholders	<u>480,670,000</u>	<u>48.95%</u>	<u>480,670,000</u>	<u>40.84%</u>
Total	<u><u>982,000,000</u></u>	<u><u>100.0%</u></u>	<u><u>1,177,000,000</u></u>	<u><u>100.0%</u></u>

Note: Mr. Chan Chung Shu, an executive Director and chairman of the Board, is deemed to be interested in 501,330,000 shares of the Company held by Triumph Hope Limited by virtue of it being controlled by him. On 24 April 2018, Triumph Hope Limited had pledged 501,330,000 shares of the Company as security for a term loan facility provided to Triumph Hope Limited by Great Wall International Investment XX Limited which was wholly-owned by China Great Wall AMC (International) Holdings Company Limited which was, in turn, wholly-owned by China Great Wall Asset Management Co., Ltd. 中國長城資產管理股份有限公司.

PROCEEDS OF THE SUBSCRIPTION AND REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Company would like to supplement that the gross proceeds and the net proceeds from the Subscription, will be HK\$39,000,000 and approximately HK\$38,700,000 respectively. The Company intends to use all the net proceeds for the repayment of shareholder's loan owing to Triumph Hope Limited.

The terms of the Supplemental Agreement were arrived at after arm's length negotiations between the Company and the Subscriber. Hence, the Board considers that the terms of the Supplemental Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

GENERAL MANDATE

Upon exercise in full of the conversion rights attaching to the Convertible Bonds at the Conversion Price, a maximum of 195,000,000 Conversion Shares shall be allotted and issued, representing approximately 19.86% of the existing issued share capital of the Company and approximately 16.57% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares shall be allotted and issued under the General Mandate. Under the General Mandate, the Company is authorised to allot, issue and otherwise deal with up to 196,400,000 Shares until the revocation, variation or expiration of the General Mandate. As at the date of this announcement, none of the General Mandate have been utilized.

The Company will make an application to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

As the Subscription Agreement is subject to the conditions precedent therein and therefore may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the securities of the Company on the Stock Exchange was halted from 9:00 a.m. on 17 June 2019. Application has been made by the Company to the Stock Exchange for the resumption of trading of the securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 18 June 2019.

DEFINITIONS

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

- “Conversion Price” HK\$0.2, subject to adjustments in accordance with the terms and conditions of the Convertible Bonds and shall not be less than the par value of a Share
- “Convertible Bond(s)” the convertible bond(s) in the aggregate principal amount of HK\$39,000,000 to be issued by the Company to the Subscriber subject to the provisions of the terms and conditions thereon

By order of the Board
Momentum Financial Holdings Limited
Chan Chung Shu
Chairman

Hong Kong, 17 June 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chan Chung Shu (Chairman), Mr. Ng Hoi and Mr. Huang Jian, one non-executive Director, Mr. Chong Yu Keung and three independent non-executive Directors, namely, Mr. Ho Man, Mr. Yeh Tung Ming and Mr. Zhang Hua.