

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong 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 invitation or offer to acquire, purchase or subscribe for any securities of the Company.



FRESH EXPRESS DELIVERY HOLDINGS GROUP CO., LTD

鮮馳達控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1175)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



宏匯證券有限公司
GRAND VIEW SECURITIES LIMITED

GRAND VIEW SECURITIES LIMITED

On 18 September 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place up to 271,660,000 Placing Shares through the Placing Agent on a best effort basis, at a price of HK\$0.25 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons.

A maximum of 271,660,000 Placing Shares under the Placing representing (i) approximately 19.999% of the existing share capital of the Company of 1,358,327,188 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 1,629,987,188 Shares as enlarged by the allotment and issue of the Placing Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the Completion. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$2,716,600.00.

The Placing Price of HK\$0.25 per Placing Share represents (i) a discount of approximately 10.72% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 11.66% to the average closing price of approximately HK\$0.283 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of this announcement.

Completion is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (a) the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with its terms.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$67.92 million and HK\$66.70 million, respectively. The net proceeds from the Placing will be used for general working capital of the Group.

The Placing Shares will be issued under the General Mandate granted to the Directors by a resolutions of the Shareholders passed at the AGM.

Shareholders and potential investors should note that the Completion is subject to fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING

The placing agreement

Date

18 September 2017 (after trading hours)

Issuer

The Company

Placing Agent

Grand View Securities Limited

The Placing Agent has conditionally agreed to place up to 271,660,000 Placing Shares on a best effort basis and will receive a placing commission of 1.75% of the amount that is equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent on behalf of the Company. Such commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to prevailing market rate. The Directors are of the view that the placing commission of 1.75% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares, on a best effort basis, to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the Placing Price of HK\$0.25 per Placing Share payable by cash. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

Number of Placing Shares

A maximum of 271,660,000 Placing Shares under the Placing representing (i) approximately 19.999% of the existing share capital of the Company of 1,358,327,188 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 1,629,987,188 Shares as enlarged by the allotment and issue of the Placing Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the Completion. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$2,716,600.00.

Placing Price

The Placing Price of HK\$0.25 per Placing Share represents (i) a discount of approximately 10.72% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 11.66% to the average closing price of approximately HK\$0.283 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of this announcement.

The net placing price under the Placing is approximately HK\$0.246 per Placing Share. The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of not exceeding 20% of the number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 271,665,437 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate and will utilize up to approximately 99.998% upon full Placing of the Placing Shares.

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

Conditions of the Placing

Completion is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (a) the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with its terms.

If the foregoing conditions are not satisfied on or before 29 September 2017 (or such later day as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure events

At any time prior to 5:00 p.m. on the day immediately preceding the date of Completion, in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Group would or might be materially adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or

- (ii) any of the following events:
- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands or elsewhere or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 5:00 p.m. on the day immediately preceding the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

If the Placing Agreement is terminated, the Placing will not proceed.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion

Completion shall take place at any time within three Business Days after the fulfilment of the conditions set out in the Placing Agreement or such other date as may be agreed between the Company and the Placing Agent in writing.

Reasons for the Placing and use of proceeds

The Group is engaged in cold chain food integrated distribution in the PRC.

As reported by the Chairman in the 2017 Annual Report, we continue to implement the “Internet + Cold Chain Food” strategy. We keep working hard in food chain distribution industry for actively expanding our cold-chain food distribution network nationwide. We have also launched our open distribution platform for bulk buying of frozen food in the last financial year. This year, the Group has endeavoured to expand our upstream and downstream channels and explore new business models and is actively expanding our business nationwide.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$67.92 million and HK\$66.70 million, respectively. The net proceeds from the Placing will be used for general working capital of the Group.

The Directors are of the view that the Placing will provide a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate our future development. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

Fund raising activity during the past 12 months

During the past twelve months immediately before the date of this announcement, the Company conducted the following equity fund raising activity:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
25 November 2016	Placing	Approximately HK\$88.5 million	General working capital	Utilised as intended

Effect on shareholding structure of the Company

The shareholdings in the Company as at the date of this announcement and immediately after the Completion assuming all the Placing Shares are fully placed and there is no change in the share capital of the Company from the date of this announcement up to Completion (other than the allotment and issue of the Placing Shares) are and will be as follows:

Shareholder	As at the date of this announcement		Immediately after the Completion	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Marvel Light Holdings Limited (Note 1)	340,115,352	25.04	340,115,352	20.87
Fortunate Gravity Hongkong Limited (Note 2)	233,720,000	17.21	233,720,000	14.33
Placees (Note 3)	–	–	271,660,000	16.67
Public Shareholders	784,435,836	57.75	784,435,836	48.13
Total	1,358,327,188	100.00	1,629,987,188	100.00

Notes:

- Marvel Light Holdings Limited is wholly-owned by Bomao Holdings Limited, which in turn is wholly-owned by Harvest (Overseas) Investment Limited, which in turn is wholly-owned by 安徽豐收投資有限公司 (Anhui Harvest Investment Company Limited*), which in turn is owned as to 40% by 安徽省創業投資有限公司 (Anhui Province Venture Investment Ltd*) (which is wholly-owned by 安徽省投資集團控股有限公司 (Anhui Province Investment Group Co. Ltd*)).
- Fortunate Gravity Hongkong Limited is wholly owned as to as to 90% by Queen's Central Hongkong Holdings Limited, a company incorporated in Hong Kong with limited liability, and as to 10% by Theone Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. Queen's Central Hongkong Holdings Limited is wholly owned by 無錫網行網路科技有限公司 (a company established in the PRC with limited liability), which is in turn owned as to 99% by Mr Zhu Wei and as to 1% by Ms 黃霞, the spouse of Mr Zhu Wei.
- Assuming no other issue of new Shares and no repurchase of existing Shares before the Completion, and the Placing Agent has placed the maximum number of the Placing Shares, being 271,660,000 new Shares.

GENERAL

Shareholders and potential investors should note that the Completion is subject to fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

* For identification purpose only

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 29 August 2017 at which, among others, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Fresh Express Delivery Holdings Group Co., Ltd, a company incorporated in the Cayman Islands with limited liability, with its Shares listed on the Main Board of the Stock Exchange (Stock Code: 1175)
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM, among other thing, to allot, issue and deal up to 20% (being 271,665,437 Shares) of the number of issued Shares of the Company as at the date of the resolution approving the grant of the general mandate (being 1,358,327,188 Shares), which has not been used before the date of this announcement
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	29 September 2017 (or such later day as may be agreed between the Company and the Placing Agent)
“Placee(s)”	any investor who is either an individual, professional or an institutional investor and is independent of and not connected with the Company, directors, chief executive, substantial shareholders of the Company and its subsidiaries or any of their respective associates, procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Grand View Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 18 September 2017 in respect of the Placing
“Placing Price”	HK\$0.25 per Placing Share
“Placing Shares”	a maximum of 271,660,000 new Shares to be issued pursuant to the Placing Agreement
“Shares”	ordinary share(s) of HK\$0.01 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

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

For and on behalf of
FRESH EXPRESS DELIVERY HOLDINGS GROUP CO., LTD
Pan Junfeng
Chairman and Executive Director

Hong Kong, 18 September 2017

As at the date of this announcement, the Board comprises Mr Pan Junfeng and Mr Tang Dacong as executive Directors, Mr Wen Cyrus Jun-ming as non-executive Director and Dr Leung Hoi Ming, Mr Mak Ka Wing, Patrick and Mr Sung Wing Sum as independent non-executive Directors.