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

**(Stock Code: 379)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

### **Placing Agent**



### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 30 December 2019 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 2,383,830,000 Placing Shares at the Placing Price of HK\$0.014 per Placing Share.

The maximum of 2,383,830,000 Placing Shares represent (i) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.014 per Placing Share represents: (i) a discount of approximately 12.5% to the closing price of HK\$0.016 per Share as quoted on the Stock Exchange on 30 December 2019, being the date of the Placing Agreement; and (ii) a discount of approximately 17.6% to the average closing price of approximately HK\$0.017 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be HK\$33,373,620. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$32.2 million. The Company intends to apply approximately HK\$26.0 million, representing approximately 80.7% of the net proceeds from the Placing as expansion of the food additive business, and the remaining HK\$6.2 million, representing approximately 19.3% of the net proceeds from the Placing, as general working capital of the Group.

**Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 30 December 2019 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 2,383,830,000 Placing Shares at the Placing Price of HK\$0.014 per Placing Share. Details of the Placing Agreement are set out below:

### **The Placing Agreement**

Date: 30 December 2019 (after trading hours)

Parties: (i) the Company (as issuer); and  
(ii) the Placing Agent (as placing agent).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 3.0% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing market rates charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing is fair and reasonable based on the current market conditions.

### **Placees**

The Placing Shares will be placed to not less than six Placees who shall be any person or entity, who is professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

### **Placing Shares**

The maximum of 2,383,830,000 Placing Shares represent (i) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

### **Ranking of the Placing Shares**

The Placing Shares, when allotted and issued, 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.

### **Placing Price**

The Placing Price of HK\$0.014 per Placing Share represents: (i) a discount of approximately 12.5% to the closing price of HK\$0.016 per Share as quoted on the Stock Exchange on 30 December, being the date of the Placing Agreement; and (ii) a discount of approximately 17.6% to the average closing price of approximately HK\$0.017 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Placing**

The completion of the Placing is conditional upon the fulfilment of, amongst others, the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares (and such approval and permission not subsequently revoked prior to the completion of the Placing);
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iii) the Placing Agent having successfully placed, or procured not less than six Places to subscribe for, the Placing Shares during the Placing Period (or prior to the expiration of such later time and date as the Placing Agent and the Company shall agree in writing).

In the event that any of the conditions set out in the Placing Agreement is not fulfilled by close of business on the Long Stop Date (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach of any obligations under the Placing Agreement prior to such termination.

## **Completion of the Placing**

Completion of the Placing shall take place on a date falling within five Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing).

## **Application for listing**

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

## **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 2,383,839,520 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be nearly utilised upon the allotment and issue of all the Placing Shares with 9,520 Shares remaining.

## **Termination**

The Placing Agent may terminate the Placing Agreement in its sole and absolute discretion without any liability to the Company by notice in writing given to the Company at any time prior to Completion if at any time prior to 10:00 a.m. of the Business Day immediately preceding the Completion Date:

- (a) any breach of any of the representations, warranties and undertakings of the Company as asset out in the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing;
- (b) trading in the Shares having been suspended or limited on, or by, the Stock Exchange or the SFC, which in the sole and absolute opinion of the Placing Agent is or is likely to adversely affect the Placing, prejudice the interest of the Placees or distribution or dealings in the Placing Shares, or makes it unfavourable or impracticable to proceed with or to complete the Placing; or
- (c) there develops, occurs, or come into force:
  - i. any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the opinion of the Placing Agent and its absolute discretion materially and adversely affect the business or financial condition or prospects of the Company as whole; or

- ii. any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the sole opinion of the Placing Agent and in its absolute discretion will, or may be expected to, have a material adverse effect on the Placing; or
- iii. any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the sole opinion of the Placing Agent and in its absolute discretion has or may have a material adverse effect on the Placing,

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 the Completion.

Pursuant to the Placing Agreement, the Company undertakes to inform the Placing Agent of any matter or circumstance which comes to its attention as specified above. If any of the conditions of the Placing shall not have been fulfilled or (alternatively) waived by the Placing Agent by 4:00 p.m. on the Completion Date (or at such other time and venue as the Company and the Placing Agent may otherwise agree in writing), the Placing Agreement and the obligations of the Placing Agent hereunder shall ipso facto cease and terminate at that time and no Party shall be under any liability to any other for costs, damages, charges, compensation or otherwise pursuant to the Placing Agreement, except (i) in relation to obligations, agreements and liabilities arising prior to such termination (including liabilities arising prior to such termination under the representations, warranties and undertakings pursuant to the Placing Agreement), (ii) in relation to any antecedent breach of any obligation under the Placing Agreement, (iii) that the Company shall remain liable for the payment of all reasonable costs, charges, fees and expenses already incurred or to be incurred in consequence of such termination and (iv) that the indemnity provisions set out in the Placing Agreement shall remain in full force and effect.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in finance lease and related consultation services in the PRC, the trading of equity securities, investment in property, money lending business, investment in terminal and logistics services business, food additives business and investment holding.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be HK\$33,373,620. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal and professional expenses and other disbursements) incidental to the Placing, are estimated to be approximately HK\$32.2 million. On such basis, the net issue price will be approximately HK\$0.0135 per Placing Share. The Company intends to apply approximately HK\$26.0 million, equivalent to approximately 80.7% of the net proceeds from the Placing for expansion of the food additives business, which shall include (i) building of a new production line for the manufacturing of crystalline sorbitol (山梨糖醇); and (ii) building of a new production line for the manufacturing of Advantame (愛德萬甜). It is expected that (i) approximately HK\$19.7 million (equivalent to approximately RMB17.8 million) will be allocated to capital expenditure and related expenses on establishing the aforesaid production lines, including but not limited to the construction of a new plant and its interior plant facilities, the procurement of machinery, equipment, and the building and installing of sewage treatment systems; and (ii) approximately HK\$6.3 million (equivalent to approximately RMB5.7 million) will be set aside as additional working capital for the operation of the production lines. Both production lines will be built by the Group on a land situated at Taoci Industrial Zone, Qigong Community, Wan Shou Street, Jianping County, Chaoyang City, Liaoning Province, which was recently acquired by the Group. For further details, please refer to the announcements of the Company dated 30 August 2019 and 16 October 2019.

The remaining net proceeds of approximately HK\$6.2 million, equivalent to approximately 19.3% of the net proceeds from the Placing, will serve as general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for (i) expanding the production capacity of the Group's food additives segment, which the Directors believe will strengthen the Group's competitiveness in this new segment, improve the financial position of the Group and help diversifying the revenue of the Group in the future; (ii) enlarge the shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and (iii) replenish general working capital of the Group.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of shares</i>	<i>Approx. %</i>	<i>Number of shares</i>	<i>Approx. %</i>
Funde Sino Life Insurance Co. Ltd.	3,574,430,000	29.99%	3,574,430,000	24.99%
Mr. Wong Lik Ping ( <i>Note 1</i> )	1,921,000,000	16.12%	1,921,000,000	13.43%
<b>Public Shareholders</b>				
The Placees	–	–	2,383,830,000	16.67%
Other public Shareholders	6,423,767,600	53.89%	6,423,767,600	44.91%
Total	11,919,197,600	100.0%	14,303,027,600	100.0%

*Note 1:* Mr. Wong Lik Ping, the Chairman of the Company and an executive Director, holds entire equity interest of Worldkin Development Limited ("Worldkin") and is accordingly deemed to have interest in 1,455,000,000 Shares that Worldkin has interests in. In addition, Mr. Wong personally owns 466,000,000 Shares.



## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

**Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which both licensed banks in Hong Kong are open for business throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
“Company”	China Ever Grand Financial Leasing Group Co., Ltd., a company incorporated in the Cayman Islands whose shares are listed and traded on the Stock Exchange
“Completion”	completion of the Placing
“Completion Date”	any day falling within the period of five (5) Business Days after the fulfillment of all the conditions precedent of the Placing Agreement

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 5 June 2019 to allot, issue and deal with new Shares not exceeding 20% of the number of the shares in issue of the Company as at the date of passing of such resolution, pursuant to which a maximum of 2,383,839,520 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Group, its connected persons and their respective associates and not acting in concert with any substantial shareholder (as defined under the Listing Rules) of the Company within the meaning of the Takeovers Code
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	means 14 February 2020, or such later date as may be agreed between the Company and the Placing Agent

“Placee(s)”	any person or entity, who is professional, institutional or other investors, procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 2,383,830,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Future Ordinance
“Placing Agreement”	the placing agreement dated 30 December 2019 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing forthwith upon the execution of the Placing Agreement and expiring on 15 January 2020 (both days inclusive) or on such later date which the Company and the Placing Agent may agree in writing, unless terminated earlier in writing pursuant to the terms of the Placing Agreement
“Placing Price”	HK\$0.014 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 2,383,830,000 new Shares to be placed pursuant to the Placing Agreement and to be allotted and issued under the General Mandate
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company

“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers of Hong Kong Code
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board  
**China Ever Grand Financial Leasing Group Co., Ltd.**  
**Lai Ka Fai**  
*Executive Director*

Hong Kong, 30 December 2019

*As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Lai Ka Fai, Mr. Tao Ke and Mr. Qiao Weibing as Executive Directors; (2) Ms. Yip Man Yi as Non-Executive Director; and (3) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as Independent Non-Executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*