

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.



高富集團控股有限公司
GT GROUP HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 263)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

The Board announced that on 18 May 2020, after trading hours, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to place up to 28,038,335 new Shares, to not less than six independent Places, at a price of HK\$0.20 per Placing Share.

The 28,038,335 Placing Shares under the Placing represents 20% of the existing issued share capital of the Company of 140,191,677 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of 168,230,012 Shares as enlarged by the Placing Shares.

The Placing Price of HK\$0.20 represents (i) a discount of approximately 6.98% to the closing price of the Shares of HK\$0.215 quoted on the Stock Exchange on 18 May 2020, being the date of the Placing Agreement and (ii) a premium of approximately 9.89% to the average closing price of the Shares of approximately HK\$0.182 quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to 18 May 2020.

The gross proceeds and net proceeds from the Placing will be approximately HK\$5.61 million and HK\$5.42 million respectively, which will be used for general working capital of the Group.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Placing Shares are to be issued and allotted under the General Mandate.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

18 May 2020 (after trading hour)

Issuer

The Company

Placing Agent and Placees

CNI Securities Group Limited is the Placing Agent. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

The Placees, being any individual(s), institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement, who and whose ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons.

The Placing is on a best endeavour basis. The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial Shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing.

Number of Placing Shares

The 28,038,335 Placing Shares under the Placing represents 20% of the existing issued share capital of the Company of 140,191,677 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of 168,230,012 Shares as enlarged by the Placing Shares.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.20 represents (i) a discount of approximately 6.98% to the closing price of the Shares of HK\$0.215 quoted on the Stock Exchange on 18 May 2020, being the date of the Placing Agreement; and (ii) a premium of approximately 9.89% to the average closing price of the Shares of approximately HK\$0.182 quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to 18 May 2020.

The net placing price for the Placing is approximately HK\$0.193 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and is in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent

The Placing Agent will receive a placing commission calculated as 3% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

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.

Conditions of the Placing Agreement

Completion is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The Company and the Placing Agent shall use their respective best endeavours to procure the fulfilment of the conditions and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange and/or the SFC in connection with the fulfilment of the conditions.

If the conditions are not fulfilled on or prior to 18 June 2020 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing Agreement and all the obligations thereunder will cease and terminate 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.

Termination and force majeure events

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 8:00 a.m. on the date of completion for the Placing Agreement, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in all announcement, circulars, interim and annual reports issued by the Company since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2019 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

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.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate.

Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate. The 28,038,335 Placing Shares to be allotted and issued will fully utilise the General Mandate.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

Completion

Completion of the Placing shall take place on the fourth Business Day following the fulfillment of the conditions of the Placing (or such other time or date as the Company and the Placing Agent shall agree in writing).

Reasons for the Placing and use of proceeds

The Company is an investment holding company. The Group is principally engaged in the trading of goods, financing, property development and brokerage and securities investment businesses.

The Directors have considered various ways of raising additional funds for the Group's future use and they consider that the Placing is an appropriate means of raising additional capital for the Company since the capital base of the Company can be broadened at a relatively low cost compared to bank borrowings or issue of debt securities, and the cash position of the Group will be improved which then can help establishing and strengthening the existing and future business of the Group. The Board considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$5.61 million and approximately HK\$5.42 million respectively. The estimated net proceeds from Placing will be used for general working capital for the Group.

Fund raising activities in the past twelve months

Date of announcement	Fund raising activity	Net proceeds supposed to be raised	Proposed use of the net proceeds	Actual use of the net proceeds
15 January 2019	The proposed rights issue	approximately HK\$302.76 million	intended to be used for partial repayment of the total existing debt and general working capital	The proposed rights issue has lapsed on 2 September 2019

Save for the fund raising activities disclosed above, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

Shareholding structure

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as below, for illustration purposes:

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
Places	—	—	28,038,335	16.67
Wealth Success Limited (<i>Note 1</i>)	40,668,157	29.01	40,668,157	24.17
High Rhine Limited (<i>Note 2</i>)	23,258,279	16.59	23,258,279	13.83
Other public Shareholders	<u>76,265,241</u>	<u>54.40</u>	<u>76,265,241</u>	<u>45.33</u>
Total	<u>140,191,677</u>	<u>100.00</u>	<u>168,230,012</u>	<u>100.00</u>

Notes:

1. Wealth Success Limited is wholly-owned by Mr. Lai Leong. Accordingly, Mr. Lai Leong is deemed to be interested in 40,668,157 shares under SFO.
2. High Rhine Limited is wholly-owned by Co-Lead Holdings Limited (“Co-Lead”) and Co-Lead is in turn owned 52.28% by Freewill Holdings Limited (“Freewill”). Freewill is owned 83.68% by Bob May Incorporated (“Bob”). Accordingly, Bob is deemed to be interested in 10,175,010 shares under SFO.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	GT Group Holdings Limited, a company incorporated in the Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate to issue and repurchase shares granted to the Directors at the annual general meeting of the Company held on 12 July 2019
“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
“Placees”	any individual(s), institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of up to 28,038,335 new Shares on a best endeavour basis by the Placing Agent at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	CNI Securities Group Limited, a licensed corporation within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 18 May 2020 in respect of the Placing
“Placing Price”	HK\$0.20 per Share
“Placing Shares”	up to 28,038,335 new Shares to be placed under the Placing
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Part XV of the Securities and Futures Ordinance
“Share(s)”	the issued ordinary share in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By Order of the Board
GT GROUP HOLDINGS LIMITED
Li Dong
Chairman

Hong Kong, 18 May 2020

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Li Dong (Chairman), Ms. Ng Shin Kwan, Christine, Mr. Chan Ah Fei and Mr. Liang Shan and three Independent Non-executive Directors, namely Dr. Wong Yun Kuen, Mr. Wong Shun Loy and Mr. Hu Chao.