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China Jicheng Holdings Limited
中國集成控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1027)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent
Suncorp
Securities Limited

THE PLACING

On 16 May 2022 (after trading hours of the Stock Exchange), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 60,570,000 Placing Shares at the Placing Price of HK\$0.38 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represents (i) approximately 18.82% of the existing issue share capital of the Company of 321,780,000 Shares as at the date of this announcement; and (ii) approximately 15.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,938,240.

The Placing Price of HK\$0.38 per Placing Share represents (i) a discount of approximately 8.43% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 16.30% to the average closing price of HK\$0.454 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$23.02 million and approximately HK\$22.44 million, respectively. The net price per Placing Share is approximately HK\$0.37.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

16 May 2022 (after trading hours)

Issuer

The Company

Placing Agent

Suncorp Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 60,570,000 Placing Shares to independent Placees.

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

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares either by itself or through its sub-placing agents to not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 60,570,000 Placing Shares under the Placing represents (i) approximately 18.82% of the existing issue share capital of the Company of 321,780,000 Shares as at the date of this announcement; and (ii) approximately 15.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,938,240.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue at the time of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.38 per Placing Share represents (i) a discount of approximately 8.43% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 16.30% to the average closing price of HK\$0.454 per Share in the last five trading days immediately prior to the date of the Placing Agreement. The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Commission

The placing commission to be received by the Placing Agent pursuant to the Placing Agreement is 2.5% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. At the Company's annual general meeting on 10 June 2021, the General Mandate was granted to the Directors, pursuant to which the Company is authorised to issue up to 60,576,000 Shares. As at the date of this announcement, no Share has been issued under the General Mandate.

Application for listing of Placing Shares

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

Condition of the Placing Agreement

The Placing is conditional upon the Stock Exchange granting a listing of, and permission to deal in, the Placing Shares.

In the event the aforesaid conditions are not fulfilled by 6 June 2022 (or such later date as may be agreed by the Placing Agent and the Company in writing), all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Rescission of the Placing

If any of the following events occur at any time prior to 10:00 a.m. on the Completion Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Completion Date, rescind the Placing Agreement without liability to the other party, and the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties contained in the Placing Agreement untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Completion of the Placing

Completion of the Placing shall take place within four (4) business days after the fulfillment of the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in manufacturing and sales of umbrellas.

The Board considers that the Placing represents a good opportunity for the Company to raise funds for bank loans repayment and improve the financial position of the Group which then can help establishing and strengthening the existing and future business of the Group. Moreover, the issue of Placing Shares will strengthen the Company's capital base and financial position and to broaden the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, 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\$23.02 million and approximately HK\$22.44 million, respectively. The Company intends to use such net proceeds for repayment of certain bank loans with aggregate principal amount of RMB26.05 million (equivalent to approximately HK\$29.96 million) which due in 2022. The net placing price per Placing Share will be HK\$0.37.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 321,780,000 Shares in issue. The following chart sets out the shareholding structure of the Company, assuming there are no other changes to the issued share capital of the Company, (a) as at the date of this announcement; and (b) immediately upon completion of the Placing:

	(a) As at date of this announcement		(b) Immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
Jicheng Investment Limited (<i>Note</i>)	123,140,900	38.27%	123,140,900	32.21%
Directors				
Huang Wenji	1,890,000	0.59%	1,890,000	0.49%
Yang Guang	1,890,000	0.59%	1,890,000	0.49%
Lin Zhenshuang	1,890,000	0.59%	1,890,000	0.49%
Chung Kin Hung, Kenneth	1,890,000	0.59%	1,890,000	0.49%
Tso Sze Wai	1,890,000	0.59%	1,890,000	0.49%
Lee Kit Ying, Winnie	1,890,000	0.59%	1,890,000	0.49%
Shareholders				
Places	–	–	60,570,000	15.84
Other public shareholders	187,299,100	58.19	187,299,100	49.01
Total	<u>321,780,000</u>	<u>100.00</u>	<u>382,350,000</u>	<u>100.00</u>

Note: Jicheng Investment Limited is wholly and beneficially owned by Mr. Huang Wenji, an executive Director and the chairman of the Board.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for business
“Company”	China Jicheng Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 1027)
“Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“Completion Date”	within four (4) Business Days (or such other date as may be agreed between the Company and the Placing Agent) following the fulfillment of the condition in respect of Placing Agreement
“Directors”	directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 10 June 2021 to issue and allot up to 60,576,000 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party who is independent of, and not connected with the Directors, chief executive or substantial shareholders of each of the Company, its subsidiaries and their respective associates, in accordance with the Listing Rules
“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement upon the terms and subject to the conditions set out in the Placing Agreement

“Placing Agent”	Suncorp Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 16 May 2022 in relation to the Placing
“Placing Price”	HK\$0.38 per Placing Share
“Placing Shares”	up to a total of 60,570,000 new Shares to be placed under the Placing Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.032 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1.00=HK\$1.15. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rate or at any other rates at all.

By order of the Board of
China Jicheng Holdings Limited
Huang Wenji
Chairman

Fujian Province, the PRC, 16 May 2022

As at the date of this announcement, the executive Directors are Huang Wenji, Yang Guang, Lin Zhenshuang and Chung Kin Hung, Kenneth; and the independent non-executive Directors are Tso Sze Wai, Yang Xuetai and Lee Kit Ying, Winnie.