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CHINA HEALTH

China Health Technology Group Holding Company Limited

中國健康科技集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1069)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

Cheong Lee Securities Limited

On 4 September 2024 (after trading hours), the Company and the Placing Agent 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 an aggregate of 143,000,000 Placing Shares, to not less than six Placees who and whose beneficial owners are Independent Third Parties at the Placing Price of HK\$0.043 per Placing Share.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 143,000,000 Placing Shares represent (i) approximately 19.97% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$1,430,000.

Assuming all the Placing Shares are fully placed, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$6.15 million and HK\$5.85 million, respectively, representing a net issue price of approximately HK\$0.041 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. The allotment and issue of the Placing Shares is not subject to Shareholders' approval. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 4 September 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 143,000,000 Placing Shares at the Placing Price of HK\$0.043 per Placing Share to not less than six Placees who are Independent Third Parties.

THE PLACING AGREEMENT

Date

4 September 2024 (after trading hours)

Parties

Issuer : The Company

Placing Agent : Cheong Lee Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares shall be offered by the Placing Agent to not less than six Placees in board lots. The choice of Placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules (in particular, the Placing Agent shall use all reasonable endeavours to ensure that Placees shall be third parties independent of the Company or any of its subsidiaries and the connected persons of the Company).

Placing Shares

As at the date of this announcement, the Company has 716,242,204 Shares in issue. Assuming there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the maximum number of 143,000,000 Placing Shares represent (i) approximately 19.97% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. Assuming all 143,000,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the maximum number of Placing Shares is HK\$1,430,000.

Placing Price

The Placing Price of HK\$0.043 represents:

- (i) a discount of approximately 15.69% to the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 19.78% to the average closing price per Share of approximately HK\$0.0536 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 determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the financial condition of the Group. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Board pursuant to which the Board is authorised to allot, issue and deal with up to 143,248,440 Shares, being 20.0% of the then issued share capital of the Company. As at the date of this announcement, no Shares has been allotted and issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares is not subject to the approval by the Shareholders.

Commission

The Placing Agent will be entitled to a commission of 1.5% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in accordance with the Placing Agreement. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent.

Ranking of the Placing Shares

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

Conditions of the Placing

Completion of the Placing is conditional upon the granting by the Listing Committee of listing of, and permission to deal in, all of the Placing Shares being obtained.

If the condition is not fulfilled on or before 25 September 2024 or such later date as the parties of the Placing Agreement may agree in writing, 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.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Completion

The Completion shall take place on the Completion Date after the fulfillment of the conditions set out above are satisfied (or such later date as may be agreed between the parties to the Placing Agreement in writing).

Termination

If at any time between the execution of the Placing Agreement and 12:00 noon on the Completion Date, in the opinion of the Placing Agent the success of the Placing or the business or financial condition of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of any of the representations and warranties given by the Company in the Placing Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than five trading days (other than in connection with the Placing); or
- (c) any of the following events:
 - (i) 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
 - (ii) 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 hereof 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
 - (iii) 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

- (iv) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (v) 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 12:00 noon on the Completion Date.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the businesses of (a) forestry management; and (b) ginseng business.

Assuming the maximum 143,000,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$6.15 million and HK\$5.85 million respectively. The Company intends to apply the net proceeds from the Placing for general working capital of the Group.

The Directors consider that the Placing will provide a good opportunity to raise further capital for the Company whilst broadening its shareholder base and capital base.

The Directors consider that the Placing Agreement was 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.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

Shareholders	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Zhonggangtong International Holding Group Co., Limited (Note 1)	70,368,000	9.82	70,368,000	8.19
China Bozza Scheme Limited (Note 2)	140,000,000	19.55	140,000,000	16.29
The Placees	–	–	143,000,000	16.64
Other public Shareholders	505,874,204	70.63	505,874,204	58.88
Total	716,242,204	100.00	859,242,204	100.00

Notes:

1. Zhonggangtong International Holding Group Co., Limited is wholly owned by Ms. Huang Hou. Accordingly, Ms. Huang Hou is deemed, or taken to be, interested in all the Shares held by Zhonggangtong International Holding Group Co., Limited for the purpose of the SFO.
2. China Bozza Scheme Limited is wholly owned by Able Planet International Limited, and Able Planet International Limited is jointly controlled by the Scheme Administrators of the Creditor's Scheme, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun. Accordingly, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun are deemed, or taken to be, jointly interested in all the Shares held by China Bozza Scheme Limited for the purpose of the SFO.

Shareholders and potential investors of the Company shall be aware that the Placing is on a best effort basis and Completion is subject to fulfillment of the conditions set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded 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 ascribed to them respectively:

“AGM”	the annual general meeting of the Company held on 21 November 2023
“Board”	the board of Directors
“Business Day”	has the meanings ascribed thereto under the Listing Rules
“Company”	China Health Technology Group Holding Company Limited, formerly known as China Bozza Development Holdings Limited (中國寶沙發展控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Completion Date”	the date of Completion, being not later than the third Business Day after the conditions of the Placing are fulfilled or such other time and date as the Company and the Placing Agent may agree in writing
“connected person(s)”	has the meanings ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM, to allot and issue up to 143,248,400 Shares, being 20.0% of the total number of Shares in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any person or entity who is procured by the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees, on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 4 September 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$0.043 per Placing Share
“Placing Share(s)”	a maximum up to 143,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	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
“%”	per cent.

By Order of the Board
China Health Technology Group Holding Company Limited
Professor Fei Phillip
Chairman and Executive Director

Hong Kong, 4 September 2024

As at the date of this announcement, the Board comprises Professor Fei Phillip and Mr. Wang Yibin as the executive Directors; and Mr. Guo Zhonglong, Mr. Chau Wing Nam and Ms. Bu Xue as the independent non-executive Directors.