

*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.*



China LotSynergy Holdings Limited

華彩控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1371)

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

**Sole Placing Agent**



The Board announces that, on 13 April 2018 (after trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent pursuant to which the Sole Placing Agent agreed to place as the Company's sole placing agent on a best effort basis the Placing Shares up to 1,034,500,000 new Shares at the Placing Price of HK\$0.116 per Placing Share.

The Placing Shares represent approximately 11.86% of the existing total number of issued shares of the Company as at the date of this announcement, and approximately 10.60% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Placing Shares in full. The Placing Shares will be allotted and issued under the General Mandate.

The maximum gross proceeds of the Placing will amount to approximately HK\$120 million. The maximum net proceeds from the Placing, after deduction of the Placing commission and other related expenses, are estimated to be approximately HK\$119 million. The net proceeds of the Placing are intended to be used for the repayment upon redemption of existing convertible bonds, the development of ordinary business in overseas and general working capital.

**Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

The Board announces that on 13 April 2018 (after trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent pursuant to which the Sole Placing Agent agreed to place as the Company's sole placing agent on a best effort basis the Placing Shares up to 1,034,500,000 new Shares at the Placing Price of HK\$0.116 per Placing Share.

## **THE PLACING AGREEMENT**

The principal terms and conditions of the Placing Agreement are as follows:

### **Date**

13 April 2018 (after trading hours)

### **Issuer**

The Company

### **Sole Placing Agent and Fees**

Oceanwide Securities Company Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Sole Placing Agent and whose ultimate beneficial owners are not connected with the Company and its connected persons.

The Sole Placing Agent will charge the Company a placing commission of 0.75% of the aggregate Placing Price for the Placing Shares actually placed by the Sole Placing Agent. The Placing commission was negotiated on an arm's length basis between the Company and the Sole Placing Agent, and determined with reference to, amongst other things, the market rate and the price performance of the Shares.

### **Placees**

Pursuant to the Placing Agreement, the Sole Placing Agent will procure the Placing Shares to be placed to not less than six Placees, who/which will be individuals, firm or corporate on a best endeavour basis. The Sole Placing Agent will also use its reasonable endeavours to ensure that the Placees and their respective ultimate beneficial owners will be Independent Third Parties. It is expected that none of the Placees will, immediately upon completion of the Placing, become a substantial shareholder of the Company (as defined in the Listing Rules).

### **Number of Placing Shares**

Up to 1,034,500,000 new Shares, representing (i) approximately 11.86% of the existing total number of issued shares of the Company as at the date of this announcement; and (ii) approximately 10.60% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Placing Shares in full. The aggregate nominal value of all Placing Shares amounts to HK\$2,586,250.

### **Condition of the Placing**

The Placing is conditional upon the Listing Committee or the Listing Division of the Stock Exchange agreeing to grant listing of, and permission to deal in, the Placing Shares. In the event that the above condition is not fulfilled within 14 days from the date of the Placing Agreement (or such later date as may be agreed by the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and terminate and neither of the parties to the Placing Agreement shall have any claim against the others in respect of the Placing save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

**Placing Price**

The Placing Price of HK\$0.116 represents:

- (i) a discount of approximately 18.31% to the closing price of HK\$0.142 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 18.65% to the average closing price of HK\$0.1426 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Sole Placing Agent.

The net issue price per Placing Share (after deduction of the Placing commission and other related expenses) is approximately HK\$0.115, assuming that the Placing is completed in full.

**Termination of the Placing Agreement**

The Sole Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to forthwith terminate the Placing Agreement if :

- (a) any material breach of any of the representations, warranties and undertakings given by the Company under the Placing Agreement comes to the knowledge of the Sole Placing Agent or an event occurring or matter arising 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 undertakings, warranties and representations contained in the Placing Agreement untrue or incorrect and such would have a material adverse effect on the Placing; or
- (b) there is any significant change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the sole and absolute opinion of the Sole Placing Agent would be materially adverse in the consummation of the Placing; or
- (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the sole and absolute opinion of the Sole Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (d) 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 in the sole and absolute opinion of the Sole Placing Agent may adversely affect the business or the financial or trading position or prospects of the Company as a whole.

**Completion of the Placing**

Completion of the Placing shall take place on or before the third Business Day next following the day on which the condition of the Placing as aforesaid is satisfied, or such late date as the Company and the Sole Placing Agent may agree.

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

## **RANKING OF THE PLACING SHARES**

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued under the General Mandate. As of the date of this announcement, no shares under the General Mandate has been previously utilized, leaving an unutilized balance in respect of 1,711,061,466 Shares, which is greater than the number of Placing Shares. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the shareholders of the Company.

## **APPLICATION FOR LISTING**

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

## **REASONS FOR THE PLACING**

The Directors are of the view that the Placing will enable the Company to broaden its shareholders' base and strengthen the financial position of the Company, which is in the interests of the Group and the shareholders of the Company as a whole.

The Directors consider that the terms of the Placing Agreement and the transactions contemplated thereunder, including the Placing Price and the Placing fees payable to the Sole Placing Agent, are fair and reasonable based on the current market conditions, and are in the interests of the Group and the shareholders of the Company as a whole.

## **USE OF PROCEEDS**

The maximum gross proceeds of the Placing will amount to approximately HK\$120 million. The maximum net proceeds from the Placing, after deduction of the Placing commission and other related expenses, are estimated to be approximately HK\$119 million.

The net proceeds of the Placing of approximately HK\$89.4 million are intended to be used for the repayment upon redemption of existing convertible bonds, approximately HK\$15 million for the development of ordinary business in overseas and the remaining balance for general working capital.

## FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

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

## CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY'S SHARE

The following table sets out the shareholding structure of the Shares (i) as at the date of this announcement, and (ii) immediately after completion of the Placing, assuming that all of the 1,034,500,000 Placing Shares will be placed in full and no further Shares will be issued, repurchased or converted into (whether pursuant to the existing share option scheme or convertible bonds of the Company or otherwise) before completion of the Placing:

Shareholders	As at the date of this announcement		Upon completion of Placing (assuming that the Placing is completed in full)	
	<i>No. of Shares</i>	<i>Approximately % of issued share of the Company</i>	<i>No. of Shares</i>	<i>Approximately % of issued share of the Company</i>
Ms. Lau Ting and Mr. Chan Shing and their respective associates	1,236,674,125	14.17	1,236,674,125	12.67
Directors	153,300,000	1.76	153,300,000	1.57
Tencent Holdings Limited	594,034,513	6.81	594,034,513	6.09
Other Public Shareholders	6,741,298,695	77.26	6,741,298,695	69.07
Placees	0	0	1,034,500,000	10.60
<b>Total</b>	<b>8,725,307,333</b>	<b>100</b>	<b>9,759,807,333</b>	<b>100</b>

Notes:

1. The interests of each of Ms. LAU Ting and Mr. CHAN Shing were deemed to be the interests of each other as they are spouses to each other.
2. This shareholding structure of the Company is for illustration purposes only.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	China LotSynergy Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1371)
“Director(s)”	the director(s) of the Company
“General Mandate”	means the general mandate granted to the Board by the shareholders of the Company by ordinary resolution passed at the annual general meeting of the Company held on 1 June 2017 to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at that date, i.e. up to 1,711,061,466 new Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Third Party”	a party which is independent of, and not connected with or acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-backs) with, the Company, any of its connected persons (as defined under the Listing Rules) or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	the placee(s) procured by the Sole Placing Agent to subscribe for any of the Placing Shares pursuant to the Sole Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of a total of up to 1,034,500,000 new Shares to be allotted and issued pursuant to the terms of the Placing Agreement

“Placing Agreement”	the conditional placing agreement dated 13 April 2018 entered into between the Company and the Sole Placing Agent in relation to the Placing
“Placing Price”	HK\$0.116 per Placing Share
“Placing Shares”	a total of up to 1,034,500,000 new Shares to be placed under the Placing
“Share(s)”	the ordinary share(s) of nominal value HK\$0.0025 each in the share capital of the Company
“Sole Placing Agent”	Oceanwide Securities Company Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**China LotSynergy Holdings Limited**  
**CHAN Tan Na, Donna**  
*Chairperson of the Board*

Hong Kong, 13 April 2018

As at the date of this announcement, the Board comprises Ms. CHAN Tan Na, Donna, Mr. WU Jingwei and Mr. LI Zi Kui as Executive Directors; and Mr. HUANG Shenglan, Mr. CHAN Ming Fai and Mr. CUI Shuming as Independent Non-executive Directors.

*\* For identification purposes only*