

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.



MANFIELD

Manfield Chemical Holdings Limited

萬輝化工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1561)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 25 June 2019 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue a total of 45,614,035 Subscription Shares at a price of HK\$2.85 per Subscription Share.

The Subscription Shares represent approximately 7.60% of the existing issued share capital of the Company as at the date of this announcement and approximately 7.07% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The net proceeds from the Subscription will be approximately HK\$130.0 million, which are intended to be used for the Group's development of new business and general working capital purposes.

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

The completion of the Subscription is subject to the fulfilment of the condition as set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

Introduction

On 25 June 2019 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue a total of 45,614,035 Subscription Shares at a price of HK\$2.85 per Subscription Share.

The Subscription Agreements

Date: 25 June 2019 (after trading hours of the Stock Exchange)

Parties:

- (i) The Company; and
- (ii) not less than six Subscribers

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries,

- (a) each of the Subscribers (and their ultimate beneficial owners) is not a connected person of the Company and is independent of and not connected with the Company, the directors, chief executives or substantial shareholders of the Company or its subsidiaries, or any of their respective associates;
- (b) none of the Subscribers (and their ultimate beneficial owners) will become substantial shareholders of the Company immediately following the Subscription;
- (c) each of the Subscribers (and their ultimate beneficial owners) is not a party acting in concert with (i) one another; (ii) the Company, the directors, chief executives or substantial shareholders of the Company or its subsidiaries; (iii) the controlling shareholder of the Company or any party acting or presumed to be acting in concert with it; or any of their respective associates; and
- (d) each of the Subscribers (and their ultimate beneficial owners) is not an associate of the controlling shareholder of the Company.

The Subscription Shares

45,614,035 new Subscription Shares represent approximately 7.60% of the existing issued share capital of the Company as at the date of this announcement and approximately 7.07% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no other change in the issued share capital of the Company from the date of this announcement up to completion of the Subscription).

The aggregate nominal value of the 45,614,035 Subscription Shares is HK\$456,140.

Subscription Price

HK\$2.85 per Subscription Share, which was arrived at after arm's length negotiation between the Company and the Subscribers with reference to the market condition and the prevailing market price of the Shares.

The Subscription Price represents:

- (i) a discount of approximately 1.38% to the closing price of HK\$2.89 per Share as quoted on the Stock Exchange on 25 June 2019, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 2.73% to the average of the closing prices of approximately HK\$2.93 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Directors are of the opinion that the Subscription Price is fair and reasonable and is in the interest of the Company and the Shareholders.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate and is not subject to Shareholders' approval. The Company is authorised to allot, issue or otherwise deal with up to 120,000,000 new Shares under the General Mandate. As at the date of this announcement, no new Shares have been issued under the General Mandate.

Ranking

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the existing Shares in issue as at the date of issue of the Subscription Shares.

Lock-up undertaking

Pursuant to the Subscription Agreements, the Subscribers undertake that they will not, without the prior written consent of the Company, create, transfer, or dispose any interest (including without limitation by the creation of an option) in the Subscription Shares at any time during the period of 10 months following and excluding the Completion Date.

Application for listing

An application will be made to the Stock Exchange to grant the listing of, and permission to deal in, the Subscription Shares.

Condition

Completion of the Subscription is conditional upon the Stock Exchange granting listing of and permission to deal in the Subscription Shares.

In the event that the condition of the Subscription are not fulfilled on or prior to 15 July 2019 or such later date as may be agreed in writing between the Company and the Subscribers, the obligations of the Company and the Subscribers under the Subscription Agreements shall terminate and neither of the parties shall have any claim against the others for costs, damages, compensation or otherwise in respect of the Subscription.

Completion

Subject to the fulfilment of the condition of the Subscription, Completion is expected to take place at or before 4:00 p.m. on the Completion Date or such other time as the Company and the Subscribers may agree (subject to compliance with the Listing Rules).

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below summarises the shareholding structure of the Company: (i) as at the date of this announcement and (ii) immediately upon Completion:

Name of Shareholder	As at the date of this announcement		Immediately upon completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Timenew Limited (<i>Note</i>)	450,000,000	75.00	450,000,000	69.70
Subscribers	—	—	45,614,035	7.07
Other public Shareholders	<u>150,000,000</u>	<u>25.00</u>	<u>150,000,000</u>	<u>23.23</u>
Total	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>	<u><u>645,614,035</u></u>	<u><u>100.00</u></u>

Note: Dr. Li Zhong Yuan is legally interested in 49% and beneficially interested in 19.0476% of the entire issued share capital of Timenew Limited, a substantial shareholder of the Company, which is interested in the 450,000,000 issued ordinary shares of the Company. Dr. Li Zhong Yuan is therefore deemed to have a corporate interest of 75% of the Company.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is presently principally engaged in the manufacturing and sale of industrial coatings in the forms of customised liquids and powders. The Company has also entered into an agreement to invest in a payment services company as detailed in the Company's circular dated 18 April 2019. The Directors consider that the Subscription represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that the Subscription Agreements are fair and reasonable and the Subscription is in the interest of the Company and the Shareholders as a whole.

The gross proceeds raised from the Subscription will be approximately HK\$130.0 million, and the net proceeds, after deduction of all relevant expenses, will be approximately HK\$0.3 million, which are intended to be used for the Group's development of new business and general working capital purposes.

The net Subscription Price will be approximately HK\$2.84 per Share.

The completion of the Subscription is subject to the fulfilment of the condition as set out in the Subscription Agreements. The Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	the meaning ascribed thereto in the Listing Rules;
“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”	Manfield Chemical Holdings Limited (萬輝化工控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1561);
“Completion”	the completion of the Subscription Agreements;
“Completion Date”	the second Business Day following the date on which the condition of the Subscription has been satisfied, or on such other date as the Company and the Subscribers may agree in writing;
“connected person”	the meaning ascribed thereto in the Listing Rules;
“controlling shareholder”	the meaning ascribed thereto in 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 annual general meeting of the Company held on 6 June 2018;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the territory of Taiwan;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	the subscribers to subscribe for the Subscription Shares under the Subscription Agreements;
“Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements;
“Subscription Agreements”	the subscription agreements dated 25 June 2019 entered into between the Company and the Subscribers;
“Subscription Price”	the subscription price of HK\$2.85 per Subscription Share;
“Subscription Share(s)”	an aggregate of 45,614,035 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements;
“substantial shareholder(s)”	the meaning ascribed thereto in the Listing Rules; and
“%”	per cent.

By Order of the Board
Manfield Chemical Holdings Limited
Dr. Li Zhong Yuan
Chairman

Hong Kong, 25 June 2019

As at the date of this announcement, the Board comprises:

Executive Director:

Dr. Li Zhong Yuan

Non-executive Directors:

Mr. Kong Muk Yin

Ms. Zuo Yi

Independent non-executive Directors:

Mr. Li Gong

Mr. Wang Jianping

Dr. Shi Ping