

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 appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



JIU RONG HOLDINGS LIMITED

久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2358)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 21 February 2017 (after trading hours), 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 912,000,000 Placing Shares at the Placing Price of HK\$0.22 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 granted to the Directors at the AGM.

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 represent (i) 20.00% of the existing issued share capital of the Company of 4,560,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$200.64 million and HK\$199.25 million respectively. On such basis, the net issue price will be approximately HK\$0.2185 per Placing Share.

Since completion of the Placing is subject to the fulfillment of the condition 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

The Board is pleased to announce that on 21 February 2017 (after trading hours), 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 912,000,000 Placing Shares at the Placing Price of HK\$0.22 per Placing Share to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date

21 February 2017 (after trading hours)

Issuer

The Company

Placing Agent

China Everbright Securities (HK) Limited, an Independent Third Party

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 912,000,000 Placing Shares to independent Placees. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. The Placing Agent will charge the Company a placing commission equivalent to 0.50% of the aggregate Placing Price in respect of such number of Placing Shares successfully placed by the Placing Agent plus any other out-of-pocket charges, professional fees and expenses incurred by the Placing Agent in relation to the Placing. The Directors are of the view that the placing commission is fair and reasonable.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after taking up the Placing Shares.

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 Placing Shares under the Placing represent (i) 20.00% of the existing issued share capital of the Company of 4,560,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon allotment and 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\$0.22 per Placing Share represents:

- (i) a discount of approximately 15.38% to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on 21 February 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 12.91% to the average closing price per Share of approximately HK\$0.2526 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 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 consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses) from the Placing will be approximately HK\$200.64 million and HK\$199.25 million respectively. On such basis, the net issue price will be

approximately HK\$0.2185 per Placing Share.

General Mandate to allot and issue of the Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to any additional approval of the Shareholders.

Under the General Mandate, the Company is authorised to issue up to 912,000,000 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. The maximum of 912,000,000 Placing Shares to be allotted and issued will utilize 100% of the General Mandate.

Application for listing of Placing Shares

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

Conditions to the completion of the Placing Agreement

Completion of the Placing is conditional upon

- (a) the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement; and
- (b) all necessary consents, approvals, authorizations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement.

If any of the above conditions is not satisfied on or before 14 March 2017 (“**Long Stop Date**”), the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and terminate and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of any antecedent breaches of any obligation thereunder).

Completion of the Placing

Completion of the Placing shall take place on the third Business Day after the fulfillment of the above conditions or on such other time and/or date as the Company and the Placing Agent may agree in writing (the “**Completion Date**”).

Termination

If at any time prior to the completion of the Placing, in the sole and absolute 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 set out 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 by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; 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 of the Placing Agreement 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 or elsewhere 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; or
 - (vi) there is any material adverse change in the financial position of the Company

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.

Upon termination of the Placing Agreement as described above, all obligations of the parties to the Placing Agreement, save in respect of certain provisions which shall remain in full force and effect, shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Since completion of the Placing is subject to the fulfillment of the condition 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.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (1) manufacturing and sales of digital television (“TV”), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of tele-communication TV and internet in the digital video industry (“**Digital Video Business**”); and (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems (“**New Energy Vehicles Business**”).

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$200.64 million and HK\$199.25 million respectively. The net proceeds from the Placing are intended to be used for the development of the New Energy Vehicles Business and towards general working capital of the Group.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development opportunities. The Placing also represents good opportunities to broaden the Shareholders’ base and the capital base of the Company.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Save for the following fund raising activity, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity and net proceeds raised	Intended use of net proceeds	Actual use of proceeds as at the date of this announcement
8 July 2016	Placing of shares, on best effort basis, for a maximum of 760,000,000 shares at a price of HK\$0.125 per Share under the general mandate granted to the Directors at the annual general meeting held on 29 May 2015. The placing was completed on 29 July 2016 whereby a total of 760,000,000 placing shares have been successfully placed.	Approximately HK\$93.50 million to be used for repayment of indebtedness of the Group and towards general working capital of the Group as well as business development of the Group.	Approximately: (1) HK\$50.00 million has been used for the business development of the New Energy Vehicles Business, including establishment of (i) three different electric vehicles charging facilities stations in Jianggan District and Gongshu District, Hangzhou, each station with investment of not more than HK\$14 million; and (ii) an intelligent parking of approximately 10,000m ² with new energy vehicles charging facilities and intelligent management system in Shangcheng District, Hangzhou; (2) HK\$18.00 million has been used for procurement and general working capital of the Digital Video Business; (3) HK\$14 million has been used for available for sale financial assets; and (4) HK\$3.50 million has been used for general working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (subject to completion of the Placing and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing and assuming the maximum number of Placing Shares is placed under the Placing) are set out below:

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
Shareholders				
Alpha Century Assets Limited	600,000,000	13.16	600,000,000	10.96
The Placees	-	-	912,000,000	16.67
Public Shareholders	3,960,000,000	86.84	3,960,000,000	72.37
	<u>4,560,000,000</u>	<u>100.00</u>	<u>5,472,000,000</u>	<u>100.00</u>

DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened on 26 August 2016
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Jiu Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic

of China

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional and/or other investor(s) selected and procured by or on behalf of the Placing Agent as contemplated under the Placing Agreement
“Placing Agent”	China Everbright Securities (HK) Limited, the placing agent and a licensed corporation to carry out Type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities for the purposes of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in Hong Kong
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 21 February 2017 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.22 per Placing Share
“Placing Shares”	an aggregate of up to 912,000,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.10 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Jiu Rong Holdings Limited
Siu Chi Ming
Executive Director

Hong Kong, 21 February 2017

As at the date of this announcement, Mr. Siu Chi Ming, Mr. Yin Jianwen and Ms. Wang Liping are the Executive Directors; Mr. Chen Guowei, Mr. Yuan Qian Fei and Mr. Wu Yinong are the Independent Non-executive Directors.