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OPES ASIA DEVELOPMENT LIMITED

華保亞洲發展有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 810)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



金利豐證券

KINGSTON SECURITIES

THE PLACING

On 17 July 2015 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 52,662,000 Placing Shares to currently expected not less than six Placees who are Independent Third Parties.

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 52,662,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 263,327,250 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. The aggregate nominal value of the Placing Shares under the Placing will be HK\$5,266,200.

The Placing Price of HK\$0.51 represents a discount of approximately 19.05% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.63 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.598 in the last 5 trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$26.86 million. The maximum net proceeds from the Placing will amount to approximately HK\$26.10 million which is intended to be used for general working capital of the Group and potential investments to be identified. The net proceeds raised per Placing Share will be approximately HK\$0.50 per Share.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

17 July 2015 (after trading hours)

Issuer

The Company

Placing Agent

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 third parties independent of and not connected with any directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Placees

The Placing Agent will place the Placing Shares to currently expected not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the Placees becomes a substantial Shareholder (as defined under the Listing Rules) after the completion of the Placing, a further announcement will be made by the Company.

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 52,662,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 263,327,250 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. The aggregate nominal value of the Placing Shares under the Placing will be HK\$5,266,200.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon 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\$0.51 represents a discount of approximately 19.05% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.63 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.598 in the last 5 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price 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 are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate to Allot and Issue the Placing Shares

The Placing Shares will be issued under the General Mandate 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. Under the General Mandate, the Company is authorised to issue up to 52,665,450 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure events.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business days after the fulfillment of the conditions as set out in paragraph headed “Conditions of the Placing” above or such other date to be agreed between the Company and the Placing Agent in writing (the “Completion Date”). If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on 31 July 2015 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties hereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches hereof).

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Completion Date;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated and the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

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

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in investment in equity securities and debt securities.

The maximum gross proceeds from the Placing will be approximately HK\$26.86 million. The maximum net proceeds from the Placing will amount to approximately HK\$26.10 million which is intended to be used for the general working capital of the Group and potential investments to be identified. The net proceeds raised per Placing Share will be approximately HK\$0.50 per Share.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Group while broadening its Shareholder and capital base. Accordingly, the Directors are of the view that the Placing is in the best interest of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following is the equity fund raising activity conducted by the Group in the past 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
11 July 2014	rights issue of 2,106,618,000 rights shares	HK\$204.4 million	(i) approximately 60% to 70% thereof for investments in listed equity and/or listed debt securities; (ii) approximately 10% to 20% thereof for investments in unlisted companies; and (iii) the remaining for the general working capital of the Group	majority of net proceeds used for investments in listed equity and listed debt securities and approximately HK\$4.0 million used for investment in unlisted company (For details, please refer to pages 12 and 13 of the Company's 2014 Annual Report).

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

Shareholders	As at the date of this announcement		Upon completion of the Placing (Note 3)	
	No. of Shares	Approx. % (Note 4)	No. of Shares	Approx. % (Note 4)
Goodchamp Holdings Limited (Note 1)	75,775,000	28.78	75,775,000	23.98
Public				
The Placees (Note 2)	–	–	52,662,000	16.67
Other public Shareholders	187,552,250	71.22	187,552,250	59.35
Total	<u>263,327,250</u>	<u>100.00</u>	<u>315,989,250</u>	<u>100.00</u>

Notes:

1. The interests are held by Goodchamp Holdings Limited, which is 100% owned by Sinowin (PTC) Inc. as trustee of The Sinowin Unit Trust. The Sinowin Unit Trust is a unit trust 100% owned by HSBC International Trustee Limited as trustee of a discretionary trust. The discretionary trust was settled by Dr. Lam Man Chan, Chairman and non-executive Director of the Company.
2. The Placing Shares will be placed by the Placing Agent to currently expected not less than six Placees who are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder of the Company. Accordingly, the shareholding held by the Placees is regarded as held by the public.
3. This assumes the Placing Shares are fully placed.
4. The percentages are subject to rounding difference, if any.

GENERAL

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

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 11 May 2015
“Board”	the board of Directors
“Company”	Opes Asia Development Limited, an exempted company continued into Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and 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 PRC
“Independent Third Party(ies)”	third party(ies) independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of 52,662,000 Placing Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 17 July 2015 in relation to the Placing
“Placing Price”	HK\$0.51 per Placing Share
“Placing Share(s)”	up to 52,662,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“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
Opes Asia Development Limited
Lam Man Chan
Chairman

Hong Kong, 17 July 2015

As at the date of this announcement, the executive Director is Mr. Lee Kwok Leung; the non-executive Director is Dr. Lam Man Chan and the independent non-executive Directors are Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng.

* *For identification purpose only*