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## **GTI HOLDINGS LIMITED**

**共享集團有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3344)**

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

**Placing Agent**



**RIFA Securities Limited**

On 15 February 2019 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis not fewer than six Placees, who will be Independent Third Parties, to subscribe for up to 354,000,000 Placing Shares at the Placing Price of HK\$0.18 per Placing Share.

The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval. The Placing is conditional upon the Stock Exchange granting the Company the approval for the listing of, and the permission to deal in the Placing Shares.

**Shareholders and potential investors of the Company shall be aware that Completion is subject to fulfillment of the condition 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.**

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

### **The Placing Agreement**

#### **Date**

15 February 2019

#### **Issuer**

The Company

#### **Placing Agent**

Rifa Securities Limited, an Independent Third Party

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 2% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent. The placing commission is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market condition.

#### **Placees**

The Placing Shares will be placed to not less than six Placees who shall be Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder immediately after the Completion. If any of the Placees will become a substantial Shareholder immediately after the Completion, further announcement will be made by the Company in compliance with the Listing Rules.

#### **Placing Shares**

As at the date of this announcement, the Company has 5,899,386,169 Shares in issue. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion, the 354,000,000 Placing Shares represent approximately 6% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. Moreover, as announced in the announcement of the Company dated 8 February 2019, a total of 222,222,000 Settlement Shares will be allotted and issued for the settlement of certain amount of outstanding loan due by a subsidiary of the Company to an Independent Third Party lender. In the event that such Settlement Shares are issued, the Company will have 6,121,608,169 Shares in issue, and the 354,000,000 Placing Shares will represent approximately 5.78% of the issued share capital of the Company taking into account of the Settlement Shares, and approximately 5.47% of the issued share capital of the Company as enlarged by both the Settlement Shares and the Placing Shares.

The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval. As at the date of this announcement, an aggregate of 502,655,260 Shares has been issued under the General Mandate, utilised approximately 46.57% of the General Mandate. Moreover, the proposed allotment and issue of the 222,222,000 Settlement Shares will utilise approximately 20.59% of the General Mandate. The 354,000,000 Placing Shares to be allotted and issued will utilise approximately 32.80% of the General Mandate.

The Placing Shares shall 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.

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

### **Placing Price**

The Placing Price of HK\$0.18 represents:

- (i) a discount of approximately 11.330% to the closing price of HK\$0.203 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 12.62% to the average closing price per Share of approximately HK\$0.206 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The aggregate nominal value of the 354,000,000 Placing Shares is HK\$3,540,000. Based on the Placing Price of HK\$0.18, the aggregate value of the 354,000,000 Placing Shares is approximately HK\$63,720,000.

The Placing Price 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 Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the Company the approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained

In the event the above condition is not fulfilled on or before 8 March 2019 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

### **Completion**

The Placing shall complete within two (2) Business Days after the day on which the conditions set out above is satisfied (or such later date as may be agreed between the parties to the Placing Agreement in writing).

### **Termination**

The Placing Agent shall be entitled by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of this 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, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any 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 and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) save for any litigation existing prior to the date of the Placing Agreement, any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or

- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of this Agreement and prior to the Completion Date which if had occurred or arisen before the date of this Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of this Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

### **Fund raising during the past twelve months**

During the past twelve months immediately preceding the date of this announcement, the Company has not conducted any equity fund raising activity.

Moreover, on 19 December 2018 and 28 December 2018, the Company has allotted and issued 240,997,229 Shares and 261,658,031 Shares respectively under the General Mandate as consideration Shares to satisfy the considerations payable by the Company to the respective vendors in the acquisitions of certain equity interest in target companies. For details of the relevant acquisitions, please refer to the announcements of the Company dated 13 November 2018 and 27 November 2018 respectively.

Furthermore, on 8 February 2019, the Company has agreed to, among other things, allot and issue 222,222,000 Settlement Shares in order to settle HK\$40,000,000 being part of the principal amount of a loan due by a subsidiary of the Company to an Independent Third Party lender. Such Settlement Shares have yet to be issued as at the date of this announcement. For details, please refer to the announcement of the Company dated 8 February 2019.

### **Reasons for the Placing and use of proceeds**

The principal activity of the Company is investment holding. The Group is principally engaged in production, sale and trading of textile products, trading of petroleum, provision of services for oil industry and provision of financial services.

The gross proceeds from the Placing are approximately HK\$63,720,000. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$62,227,000, representing a net issue price of approximately HK\$0.176 per Placing Share. It is currently intended that the net proceeds of the Placing will be used as the general working capital, for repayment of liabilities of the Group and/or for future investment opportunities and business development.

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

### Effects on shareholding structure

The shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after the Completion; and (iii) immediately after the Completion and the issue of the Settlement Shares are as follows:

	As at the date of this announcement		Immediately after the Completion		Immediately after the Completion and the issue of the Settlement Shares	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Gold Train Investments Limited (“Gold Train”) <sup>(1)</sup>	3,339,422,000	56.606	3,339,422,000	53.402	3,339,422,000	51.568
Wong Hiu Hung (“Ms. Wong”) <sup>(2)</sup>	4,000,000	0.068	4,000,000	0.064	4,000,000	0.062
Placees	–	–	354,000,000	5.661	354,000,000	5.467
Hammer Capital Private Investments Limited <sup>(3)</sup>	–	–	–	–	222,222,000	3.432
Other public Shareholders	2,555,964,169	43.326	2,555,964,169	40.873	2,555,964,169	39.471
<b>Total</b>	<b>5,899,386,169</b>	<b>100</b>	<b>6,253,386,169</b>	<b>100</b>	<b>6,475,608,169</b>	<b>100</b>

#### Notes:

- Gold Train is a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Poon Sum, the executive Director and the chairman of the Board.
- Ms. Wong is the spouse of Mr. Poon Sum.
- Hammer Capital Private Investments Limited is the nominee designated by the lender in relation to the receipt of Settlement Shares.
- The percentages are subject to rounding effect.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Company”	GTI Holdings Limited, 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 condition set out in the Placing Agreement
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to a resolution passed at the annual general meeting of the Company held on 4 June 2018 to allot, issue and deal with up to 1,079,346,181 new Shares, representing approximately 20% of the then existing issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Last Trading Day”	14 February 2019, being the last day on which the Shares were traded on the Stock Exchange prior to this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any person or entity procured by the Placing Agent to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares on and subject to the terms and condition set out in the Placing Agreement

“Placing Agent”	Rifa Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 15 February 2019 and entered into between the Company and the Placing Agent
“Placing Price”	HK\$0.18 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 354,000,000 new Shares to be placed pursuant to the Placing Agreement
“Settlement Shares”	a total of 222,222,000 new Shares to be allotted and issued by the Company for settlement of part of the outstanding principal of a loan due by a subsidiary of the Company to an Independent Third Party lender, details of which were disclosed in the announcement of the Company dated 8 February 2019
“SFC”	Securities and Futures Commission of Hong Kong
“Shareholders”	holders of the issued Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the 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  
**GTI Holdings Limited**  
**Poon Sum**  
*Chairman*

Hong Kong, 15 February 2019

*As at the date of this announcement, the Board comprises (i) Mr. Poon Sum (Chairman), Mr. Cheung Tat Chung (Chief Executive Officer), Mr. Ng Kwok Hung Perry and Mr. Hao Xiangbin as executive Directors; and (ii) Mr. Chan Shu Kin, Dr. Tse Kwok Sang and Mr. Chiu Wai Piu as independent nonexecutive Directors.*