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Core Economy Investment Group Limited

核心經濟投資集團有限公司

(Continued into Bermuda with limited liability)

(Stock Code: 339)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



BONUS EVENTUS

Securities Limited

博恩證券有限公司

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 25 January 2019 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis to currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 27,800,000 Placing Shares at the Placing Price of HK\$0.4 per Placing Share.

PLACING SHARES

The 27,800,000 Placing Shares to be allotted and issued under the Placing represent (i) 19.97% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Placing).

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by the Shareholders of the Company at the Company's annual general meeting held on 8 June 2018, which has not been used since granted.

PLACING PRICE

The Placing Price of HK\$0.4 per Placing Share represents (i) a discount of approximately 6.98% to the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on 25 January 2019, being the date of the Placing Agreement; and (ii) a discount of approximately 6.98% to the average of the closing prices of HK\$0.43 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

USE OF PROCEEDS

Assuming all 27,800,000 Placing Shares are subscribed for in full, upon completion of the Placing, the aggregate gross proceeds of the Placing will be approximately HK\$11.12 million and the aggregate net proceeds of the Placing, after deduction of expenses, are estimated to be approximately HK\$11 million, representing a net issue price of approximately HK\$0.396 per Placing Share. Of the net proceeds, the Company intends to use (i) approximately HK\$5.5 million for future investment and business development; and (ii) approximately HK\$5.5 million as general working capital of the Company.

Shareholders and potential investors of the Company should note that the completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 25 January 2019 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 27,800,000 Placing Shares at the Placing Price of HK\$0.4 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 25 January 2019

Parties: (i) the Company (as issuer); and
(ii) Bonus Eventus Securities Limited (as Placing Agent).

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. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.

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, a maximum of 27,800,000 Placing Shares represent (i) 19.97% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum of 27,800,000 Placing Shares is HK\$556,000.

Placing Price

The Placing Price of HK\$0.4 per Placing Share represents:

- (i) a discount of approximately 6.98% to the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on 25 January 2019, being the date of the Placing Agreement; and
- (ii) a discount of approximately 6.98% to the average of the closing prices of HK\$0.43 per Share 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 was determined after arm's length negotiations between the Company and the Placing Agent with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Placing Agreement (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Placing commission

The Placing Agent will receive a placing commission of 1% of the aggregate Placing Amount, based on multiplying the Placing Price by the actual number of the Placing Shares successfully subscribed for by the placees procured by the Placing Agent under the Placing. The placing commission was determined after arm's length negotiation between the Company and the Placing Agent. The Directors are of the view that the placing commission of 1% is on normal commercial terms and is fair and reasonable so far as the Shareholders are concerned.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Conditions of the Placing

The Placing is conditional upon the following conditions having been fulfilled:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) any other approvals which may be required under all applicable laws, rules and regulations.

In the event that any of the above conditions is not fulfilled by 5:00 p.m. on the Long Stop Date or such later date as may be agreed by the Placing Agent and the Company in writing, all rights, obligations and liabilities of the parties to the Placing Agreement thereunder in relation to the Placing shall cease and determine and none of the parties thereto shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Completion of the Placing

Completion of the Placing shall take place on the second Business Day following the fulfillment of all the conditions of the Placing above (or such later date as may be agreed by the parties to the Placing Agreement in writing).

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 June 2018. The maximum number of Shares that can be issued under the General Mandate is 27,840,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Placing Shares. Accordingly, no separate approval of Shareholders is required for the Placing.

Application for listing

The Company will make application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

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 of the following force majeure events:

- (i) 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

- (ii) 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 (inclusive of any pandemics or epidemics) 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 Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) 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,

- (i) 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
- (ii) any suspension/halt in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) 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 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 thereunder 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.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Company is an investment company under Chapter 21 of the Listing Rules and is principally engaged in the investment and trading of listed and unlisted equity securities. The Board considers that the Placing represents a good opportunity for the Company to raise additional funds as general working capital of the Company and, with additional funds, the Company will also be equipped to capture suitable investment opportunities in a timely manner and the terms of the Placing Agreement are on normal commercial terms. Accordingly, the Directors consider that the terms of the Placing are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming all 27,800,000 Placing Shares are subscribed for in full, upon completion of the Placing, the aggregate gross proceeds of the Placing will be approximately HK\$11.12 million and the aggregate net proceeds of the Placing, after deduction of expenses, are estimated to be approximately HK\$11 million, representing a net issue price of approximately HK\$0.396 per Placing Share. The net proceeds from the Placing are intended to be used for the general working capital of the Company and for future investments pursuant to the investment objectives of the Company. Of the net proceeds, the Company intends to use (i) approximately HK\$5.5 million for future investment and business development; and (ii) approximately HK\$5.5 million as general working capital of the Company.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not carried out any fund raising exercises during the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately upon issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Placing (other than as a result of the allotment and issue of the Placing Shares)):

| | As at the date of this announcement | | Immediately upon completion of the Placing | |
|---|--|---------------|---|---------------|
| | No. of Shares | Approx. % | No. of Shares | Approx. % |
| Shareholders | | | | |
| Mr. SUN Bo (<i>Note 1</i>) | 22,275,000 | 16.00 | 22,275,000 | 13.34 |
| Salus Investments Limited (<i>Note 2</i>) | 8,260,000 | 5.93 | 8,260,000 | 4.95 |
| ZHANG Yufei (<i>Note 3</i>) | 8,000,000 | 5.75 | 8,000,000 | 4.79 |
| Public Shareholders | | | | |
| Placees | - | - | 27,800,000 | 16.65 |
| Other public Shareholders | 100,665,000 | 72.32 | 100,665,000 | 60.27 |
| Total | <u>139,200,000</u> | <u>100.00</u> | <u>167,000,000</u> | <u>100.00</u> |

Note:

1. Mr. SUN Bo is an Executive Director and the chairman of the Board.
2. The 8,260,000 shares were held by Salus Investments Limited which was wholly owned by Mr. ZHANG Xu Ming. By virtue of the SFO, Mr. ZHANG Xu Ming was deemed to be interested in the 8,260,000 shares.
3. Mr. ZHANG Yufei is a chief executive officer of the Company.

DEFINITIONS

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

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|--------------------------------|--|
| “associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day on which licensed banks in Hong Kong are open for business throughout their normal business hours (other than a Saturday, Sunday or public holiday in Hong Kong) |
| “Company” | Core Economy Investment Group Limited, a company continued into Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 339) |
| “Completion Date” | the date on which the completion shall take place and such day shall be the second Business Day after the satisfaction of the conditions precedent as set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing) |
| “connected person(s)” | has the meaning as ascribed to it in the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 8 June 2018, among other things, to allot, issue and deal with up to 27,840,000 Shares, being 20% of the then issued share capital of the Company on 8 June 2018 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | any persons or company(ies) and their respective ultimate beneficial owners (if applicable) who, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of and not connected or acting in concert with the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 25 February 2019 (or such other date as the Company and the Placing Agent may agree in writing) |

| | |
|---------------------|---|
| “Placee(s)” | any independent 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 Agreement |
| “Placing” | the placing of the Placing Shares pursuant to the terms of the Placing Agreement |
| “Placing Agent” | Bonus Eventus 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 25 January 2019 in relation to the Placing |
| “Placing Amount” | the total aggregate amount of money (total monetary value) derived from multiplying the Placing Price by the actual number of Placing Shares actually subscribed for by the Placees procured by the Placing Agent |
| “Placing Price” | HK\$0.4 per Placing Share |
| “Placing Share(s)” | up to 27,800,000 new Shares to be placed pursuant to the Placing Agreement |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Shares” | ordinary share(s) of nominal value of HK\$0.02 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” or “per cent.” | percentage or per centum |

By order of the Board
Core Economy Investment Group Limited
SUN Bo
Chairman

Hong Kong, 25 January 2019

As at the date of this announcement, the executive Directors are Mr. SUN Bo (Chairman) and Mr. WANG Daming; and the independent non-executive Directors are Mr. CHEN Ming, Mr. MOK Ho Ming and Mr. WONG Yan Wai George.