

*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 the securities.*



**CENTRAL DEVELOPMENT HOLDINGS LIMITED**

**中發展控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 475)**

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

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

On 19 April 2021 (after trading hours), the Company entered into a Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 15,300,000 fully paid Subscription Shares at HK\$0.75 per Subscription Share. The total consideration payable by the Subscriber under the Subscription Agreement amounts to HK\$11,475,000.

The issue of the Subscription Shares is not subject to Shareholders' approval as the Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM. The 15,300,000 Subscription Shares represent approximately 4.11% of the issued share capital of the Company as at the date of this announcement and approximately 3.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

The gross proceeds and net proceeds (after deducting the related fees and expenses incurred in relation to the subscription) from the Subscription are estimated to be approximately HK\$11,475,000 and HK\$11,410,000, respectively. The Company intends to use the net proceeds from the Subscription for the general working capital of the Group.

**As the Subscription is subject to the fulfillment of a number of conditions and may or may not proceed to Completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

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

On 19 April 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 15,300,000 Subscription Shares at the Subscription Price of HK\$0.75 per Subscription Share. The total consideration payable by the Subscriber under the Subscription Agreement amounts to HK\$11,475,000.

**Date:** 19 April 2021

**Issuer:** the Company

**Subscriber:** the Subscriber

### **Subscription Shares**

The Company has agreed to conditionally allot and issue, and the Subscriber has agreed to conditionally subscribe for 15,300,000 Subscription Shares, which represents:

1. approximately 4.11% of the issued share capital of the Company as at the date of this announcement; and
2. approximately 3.95% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares immediately following Completion, assuming that there will be no change in the total number of issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

The Subscriber will not become a substantial shareholder (as defined under the Listing Rules) of the Company upon Completion.

### **Subscription Price**

The Subscription Price of HK\$0.75 per Subscription Share represents:

- (i) a premium of approximately 11.94% to the closing price of HK\$0.67 per Share as quoted on the Stock Exchange on 19 April 2021, being the date of the Subscription Agreement;
- (ii) a premium of approximately 10.29% to the average closing price of HK\$0.68 per Share as quoted on the Stock Exchange for the last five trading days up to and including 16 April 2021, being the date immediately preceding the date of the Subscription Agreement; and
- (iii) a premium of approximately 9.97% to the average closing price of HK\$0.682 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 16 April 2021, being the date immediately preceding the date of the Subscription Agreement.

The Subscription Price was determined with reference to the historical price trend and trading volume of the Shares, the prevailing market price of the Shares, the existing capital market conditions and the business prospects of the Group, and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors (including the independent non-executive Directors) are of the opinion that the price and terms of the Subscription are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price of HK\$11,475,000 will be payable by the Subscriber to the Company by bank transfer upon Completion.

The Subscription Shares have an aggregate nominal value of HK\$153,000. The net proceeds from the Subscription, after deducting all related fees and expenses, are expected to be approximately HK\$11,410,000. The net price per Subscription Share, after deducting all such related fees and expenses, is therefore expected to be approximately HK\$0.746 per Subscription Share.

### **Ranking of the Subscription Shares**

The Subscription Shares shall be free from any liens, charges, encumbrances, option, warrant, preemptive right or security interest, adverse claims or third-party right whatsoever and together with all rights attaching to them as at the date of Completion, with rights which rank pari passu in all respects among themselves and to other Shares in issue, including the right to receive all dividends and other distributions declared, made or paid at any time on or after the date of Completion.

### **General Mandate**

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM (i.e. 74,452,800 Shares, representing 20% of 372,264,000 Shares in issue as at the date of the AGM). As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. Accordingly, the issue of the Subscription Shares is not subject to Shareholders' approval. The issue and allotment of the 15,300,000 Subscription Shares will utilize approximately 20.55% of the General Mandate.

Upon Completion, the Company will have unused General Mandate to issue up to 59,152,800 Shares.

## **Conditions Precedent**

The Subscription is conditional upon, among others:

- (a) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange;
- (b) all relevant approvals and consents (including but not limited to approvals from the Securities and Futures Commission of Hong Kong or PRC regulatory authorities, if necessary) in relation to the Subscription having been obtained by the Company and the Subscriber; and
- (c) the Company being satisfied that the representations and warranties made by the Subscriber under the Subscription Agreement remain true, accurate and not misleading in all material respects.

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

In the event that any condition precedent is not fulfilled on or before 30 June 2021 (or such later date or time as may be agreed between the Company and the Subscriber), all rights and obligations of the parties to the Subscription Agreement shall terminate and each party shall have no claim against the other, save and except for any antecedent breaches.

## **Completion of the Subscription**

Completion under the Subscription Agreement shall take place within fifteen Business Days after the date on which the conditions precedent of the Subscription Agreement are fulfilled (or such later date or time as may be agreed between the Company and the Subscriber).

## EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion of the Subscription (assuming no further Shares will be issued or repurchased prior to the Completion of the Subscription) is as follows:

Name of Shareholder	As at the date of this announcement		Immediately after Completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Substantial Shareholders</i>				
Resources Rich Capital Limited (“Resources Rich”) (Note 1)	204,718,000	54.99%	204,718,000	52.82%
Mr. Hu Yangjun (Note 2)	3,066,000	0.83%	3,066,000	0.79%
Mr. Hu Yishi (Note 3)	2,736,000	0.74%	2,736,000	0.71%
<i>Other Directors</i>				
Mr. Wu Hao	6,036,000	1.62%	6,036,000	1.56%
Mr. Chan Wing Yuen, Hubert	3,300,000	0.89%	3,300,000	0.71%
Mr. Li Wei Qi, Jacky	2,736,000	0.73%	2,736,000	0.85%
<i>Others</i>				
The Subscriber	–	–	15,300,000	3.95%
Other public Shareholders	149,672,000	40.20%	149,672,000	38.61%
<b>Total</b>	<b>372,264,000</b>	<b>100.00%</b>	<b>387,564,000</b>	<b>100.00%</b>

*Note:*

- Resources Rich is a company incorporated in the British Virgin Islands, 50% of the entire issued share capital of which is owned by Mr. Hu Yangjun while the other 50% is owned by Mr. Hu Yishi. Therefore, Mr. Hu Yangjun and Mr. Hu Yishi are deemed to be interested in all the Shares in which Resources Rich is interested by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”). Ms. Zhang Qi and Ms. Lin Min are the respective spouses of Mr. Hu Yangjun and Mr. Hu Yishi and are accordingly deemed to be interested in all the Shares in which Mr. Hu Yangjun and Mr. Hu Yishi are respectively interested in pursuant to the SFO.
- Mr. Hu Yangjun had a direct interest of 3,066,000 Shares and a deemed interest of 204,718,000 Shares held by Resources Rich representing approximately 0.83% and 54.99% respectively of the issued share capital of the Company as at the date of this announcement.
- Mr. Hu Yishi had a direct interest of 2,736,000 Shares and a deemed interest of 204,718,000 Shares held by Resources Rich representing approximately 0.74% and 54.99% respectively of the issued share capital of the Company as at the date of this announcement.

## **INFORMATION ON THE PARTIES**

Based on the information provided by the Subscriber, the Subscriber is a merchant and worked in the industries of the construction project management and financial service provision for over 10 years. He did not hold any directorship in any other listed companies on the Stock Exchange in the last three years. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party.

The Group is principally engaged in jewelry business in PRC and Hong Kong and solar energy business in the PRC, Hong Kong and other countries.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Subscriber has approached the Company indicating his interest in the business of the Company and in making an investment in the Company. Having explored the possibilities of various channels of raising funds, the Directors consider that, on the basis of time and cost effectiveness, as compared with other fund raising alternatives, raising capital from the equity market is the most desirable fund raising option as it can broaden the shareholder and capital bases of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and on normal commercial terms, and the Subscription and the transactions contemplated under the Subscription Agreement are in the interests of the Company and the Shareholders as a whole.

The gross proceeds and net proceeds (after deducting the related fees and expenses incurred in relation to the subscription) from the Subscription are estimated to be approximately HK\$11,475,000 and HK\$11,410,000, respectively. The net proceeds raised per Subscription Share arising from the Subscription will be approximately HK\$0.746 per Share.

The Company intends to utilize the entire net proceeds as general working capital of the Group, including but not limited to the daily general working capital such as the administration expenses, staff cost, business development expenses and professional expenses.

## **FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS**

There had been no fund raising activities carried out by the Company during the 12 months immediately preceding the date of this announcement.

**Completion is subject to fulfilment of the conditions thereunder. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 3 September 2020
“Board”	the board of Directors
“Business Day”	A day (other than a Saturday) on which banks in Hong Kong are open for business
“Company”	Central Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) who is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the connected persons of the Company (as defined under the Listing Rules);
“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 Taiwan

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Liu Jie, a PRC citizen and an Independent Third Party
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 19 April 2021 made between the Subscriber and the Company regarding the Subscription
“Subscription Price”	HK\$0.75 per Subscription Share
“Subscription Share(s)”	a total of 15,300,000 new Share(s) to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**CENTRAL DEVELOPMENT HOLDINGS LIMITED**  
**Chan Wing Yuen, Hubert**  
*Chief Executive & Executive Director*

Hong Kong, 19 April 2021

*As at the date of this announcement, the Board consists of three executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun and Mr. Chan Wing Yuen, Hubert; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Jin Qingjun and Ms. Sun, Ivy Connie.*