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## **EcoGreen International Group Limited**

**中怡國際集團有限公司**

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

**(Stock code: 2341; Website: [www.ecogreen.com](http://www.ecogreen.com))**

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

### **Placing Agents**



On 30 October 2017 after trading hours, the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing. Pursuant to the Placing Agreement, the Company has agreed to place, through the Placing Agents, up to 100,000,000 Placing Shares to places at the Placing Price.

The Placing Shares represent (i) approximately 14.81% of the existing issued share capital of the Company, and (ii) approximately 12.90% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The Placing is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Placing Agreement as set out in the section headed "Condition of the Placing". As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **The Placing Agreement**

Date : 30 October 2017

### **Parties**

Issuer : the Company

Placing Agents : Guoyuan Capital (Hong Kong) Limited; and  
Yuzhou Financial Holdings Limited

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agents and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Placing Agents will charge the Company a placing commission equal to 1.3% of the aggregate of the Placing Price of the Placing Shares actually placed by the relevant Placing Agents. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agents and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents.

### **Placing Shares**

The Placing Agents have conditionally agreed with the Company to place, on a best effort basis, up to 100,000,000 Placing Shares. Each of the Placing Agents shall use its reasonable endeavours to ensure that it will not offer or place any of the Placing Shares to or with any person, firm or company which is connected with or acting in concert with the Company or its connected persons. It is expected that none of the Placing Agents or any Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

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 100,000,000 Placing Shares represent (i) approximately 14.81% of the existing issued share capital of the Company, and (ii) approximately 12.90% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Based on the closing price of the Shares of HK\$1.46 per Share on 30 October 2017, being the date of the Placing Agreement, the Placing Shares have a market value of HK\$146.0 million. The Placing Shares have an aggregate nominal value of HK\$10 million.

The Placing Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price is HK\$1.53 per Placing Share and represents:

- (a) a premium of approximately 4.79% to the closing price of HK\$1.46 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement;
- (b) a premium of approximately 2.82% to the average closing price of HK\$1.488 per Share as quoted on the Stock Exchange for the last five trading days up to and including 27 October 2017, the last trading day immediately preceding the date of the Placing Agreement; and
- (c) a premium of approximately 2.68% to the average closing price of HK\$1.49 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 27 October 2017, the last trading day immediately preceding the date of the Placing Agreement.

The terms of the Placing Agreement and the Placing Price was determined by the Company and the Placing Agents after arm's length negotiations and under normal commercial terms with reference to the prevailing trading price of the Shares. The Directors consider that the Placing Price is fair and reasonable under the current market conditions. Hence, the Directors are of the view that the Placing is in the interests of the Company and the Shareholders as a whole.

## **Condition of the Placing**

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares.

In the event that the condition to the Placing is not fulfilled on or before the date falling 21 days after the date of the Placing Agreement (i.e. 20 November 2017) (or such other time and date as the Placing Agents and the Company shall agree in writing), the Placing Agreement and all rights and obligations thereunder will cease and terminate and neither of the parties thereto will have any claim against the other for costs, damages, compensation or otherwise except for antecedent breach of provisions of the Placing Agreement.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **Termination of the Placing**

The Placing Agents may terminate the Placing Agreement by giving notice in writing to the Company, if at any time prior to the Completion Date, in the opinion of the Placing Agents, the success of the Placing or the business or financial prospects 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 ten (10) consecutive trading days (other than in connection with the Placing); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) 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 hereof 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
- (e) 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
- (f) any material change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the People's Republic of China 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
- (g) any material change or deterioration in the conditions of local, national or international securities markets.

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

## **Completion of the Placing**

Completion of the Placing is expected to take place as soon as possible following the satisfaction of the condition to the Placing and in any event no later than the third Business Day thereafter (or such other time or date as the Company and the Placing Agents may agree in writing).

As announced by the Company on 29 August 2017, the Board has resolved to declare an interim dividend of HK1.5 cents per Share for the period ended 30 June 2017 to the Shareholders whose names appear on the register of members of the Company on 3 November 2017. The Board expects that completion of the Placing will take place after 3 November 2017 and therefore the Placees will not be entitled to the above interim dividends.

## **Company's Undertaking**

Under the Placing Agreement, the Company undertakes to the Placing Agents that it will procure that, at all times prior to the Completion Date, unless with the prior written consent of the Placing Agents, each member of the Group shall not issue, or agree to issue, any share or loan capital or grant, or agree to grant, any option (other than under the Share Option Scheme) over or right to acquire or to subscribe for any share or loan capital of the Company.

## **General Mandate**

The issue of the Placing Shares will not be subject to the approval by the Shareholders. The Placing Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed at the annual general meeting of the Company held on 22 June 2017. On the date of the annual general meeting, the Company had 675,058,560 Shares in issue, and the general mandate granted to the Directors was to issue up to 135,011,712 Shares, representing 20% of the number of Shares in issue as at the date of the passing of the resolution.

As at the date of this announcement, no Shares have been issued pursuant to such general mandate, and the Company has not carried out any buy-back of Shares in the 30 days immediately preceding the date of the Placing Agreement.

## EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE PLACING

Set out below is the table of the shareholdings in the Company before and after completion of the Placing:

Shareholders	Shareholding as at the date of this announcement		Shareholding upon completion of Placing (assuming the maximum number of Placing Shares is placed and 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)	
	Number of Shares	%	Number of Shares	%
<b>Connected persons</b>				
Mr. Yang Yirong ( <i>Note 1</i> )	278,577,687	41.27	278,577,687	35.94
Mr. Gong Xionghui ( <i>Note 2</i> )	17,712,315	2.62	17,712,315	2.29
Ms. Lu Jiahua ( <i>Note 3</i> )	13,300,736	1.97	13,300,736	1.72
Mr. Han Huan Guang	1,584,000	0.23	1,584,000	0.20
Mr. Lin Zhigang	2,376,000	0.35	2,376,000	0.31
Mr. Feng Tao	1,584,000	0.23	1,584,000	0.20
Mr. Yau Fook Chuen	396,000	0.06	396,000	0.05
Mr. Wong Yik Chung, John	132,000	0.02	132,000	0.02
<b>Public Shareholders</b>				
Placees	–	–	100,000,000	12.90
Other public Shareholders	359,395,822	53.25	359,395,822	46.37
<b>Total</b>	<b>675,058,560</b>	<b>100%</b>	<b>775,058,560</b>	<b>100%</b>

Notes:

- (1) Mr. Yang Yirong is directly interested in 528,000 Shares. Marietta Limited (“**Marietta**”), a company wholly owned by Mr. Yang Yirong, is directly interested in 278,049,687 Shares. Therefore, Mr. Yang Yirong is deemed to be interested in the said 277,049,687 Shares held by Marietta.
- (2) Dragon Kingdom Investment Limited (“**Dragon Kingdom**”), a company wholly owned by Mr. Gong Xionghui, is directly interested in 17,712,315 Shares. Therefore, Mr. Gong Xionghui is deemed to be interested in the said 17,712,315 Shares held by Dragon Kingdom.
- (3) Sunwill Investments Limited (“**Sunwill**”), a company wholly owned by Ms. Lu Jiahua, is directly interested in 11,254,736 Shares. Therefore, Ms. Lu Jiahua is deemed to be interested in the said 11,254,736 Shares held by Sunwill.

## **FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company had not carried out any equity fund raising activities in the past twelve months prior to the date of this announcement.

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

The Company is an investment holding company. The Group is principally engaged in the production and trading of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products.

The Directors consider that the Placing offers a good opportunity to raise additional funds to strengthen the financial position, broaden the shareholder base and capital base of the Group so as to facilitate its future development. The Directors consider that the terms of the Placing Agreement are fair and reasonable, on normal and commercial terms and are in the interests of the Company and the Shareholders as a whole.

In addition, on the assumption that the Placing is completed in full, it will raise gross proceeds of HK\$153.0 million. The maximum net proceeds of from the Placing will amount to approximately HK\$150.9 million, representing a net price of approximately HK\$1.509 per Placing Share. The net proceeds from the Placing are intended to be applied mainly towards the repayment of bank borrowings.

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 Shareholders 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.

**Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Placing Agreement as set out in the section headed “Condition of the Placing”. As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong
“Company”	EcoGreen International Group Limited (中怡國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code:2341)
“Completion”	completion of the Placing
“Completion Date”	a day as soon as possible following the satisfaction of the condition to the Placing and in any event no later than the third Business Day after the satisfaction of the condition to the Placing (or such other time or date as the Company and the Placing Agents may agree in writing)
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guoyuan”	Guoyuan Capital (Hong Kong) Limited, a company incorporated in Hong Kong and licensed by the Securities and Futures Commission to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, professional, institutional or other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agents’ obligations under the Placing Agreement



“Placing”	the placing of the Placing Shares on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agents”	Guoyuan and Yuzhou
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agents dated 30 October 2017 in relation to the Placing
“Placing Price”	HK\$1.53 per Placing Share
“Placing Shares”	up to 100,000,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the capital of the issued share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 28 May 2014
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yuzhou”	Yuzhou Financial Holdings Limited, a company incorporated in Hong Kong and licensed by the Securities and Futures Commission to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**EcoGreen International Group Limited**  
**Yang Yirong**  
*Chairman & President*

Hong Kong, 30 October 2017

*As at the date of this announcement, the Board of Directors of the Company comprises of five executive Directors, namely Mr. Yang Yirong (Chairman), Mr. Gong Xionghui, Ms. Lu Jiahua, Mr. Han Huan Guang and Mr. Lin Zhigang, one non-executive Director, namely Mr. Feng Tao and three independent non-executive Directors, namely Mr. Lin David Ying Tsung, Mr. Yau Fook Chuen and Mr. Wong Yik Chung, John.*