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**China Optoelectronics Holding Group Co., Limited**

**中國光電控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

*Website: www.chnoe.com*

**(Stock Code: 1332)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Placing Agent

Enhanced Securities Limited

On 30 November 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares at the Placing Price of HK\$0.16 per Placing Share during the Placing Period.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 575,063,972 Placing Shares represent approximately 16% of the existing issued share capital of the Company as at the date of this announcement and approximately 13.79% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

The Placing Shares will be allotted and issued under the General Mandate.

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

Assuming that all the Placing Shares are fully placed, the gross proceeds and net proceeds from the Placing will amount to approximately HK\$92.01 million and approximately HK\$89.25 million respectively. The Company intends to use the net proceeds from the Placing as general working capital of the Group and/or to fund the expansion of its businesses.

**As completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement and the Placing is on a best effort basis, 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 : 30 November 2015 (after trading hours)

Parties: the Company and Enhanced Securities Limited

### **Placing Agent**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period and will receive a placing commission of 3% on the gross proceeds of the Placing on the Completion Date. The Directors are of the view that the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and/or its connected persons.

### **Placees**

The Placing Agent will place the Placing Shares to not less than six Placees, being individuals, institutional or professional investors, who and whose ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after taking up the Placing Shares.

### **Number of Placing Shares**

The maximum number of 575,063,972 Placing Shares under the Placing represent approximately 16% of the existing issued share capital of the Company as at the date of this announcement and approximately 13.79% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

### **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time of issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$0.16 per Share represents:

- (i) a discount of approximately 15.79% to the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on 30 November 2015, being the date of the Placing Agreement;
- (ii) a discount of approximately 8.05% over the average closing price per Share of approximately HK\$0.174 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 30 November 2015; and
- (iii) a discount of approximately 34.16% over the average closing price per Share of approximately HK\$0.243 as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 30 November 2015.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to market prices of the Shares in recent times and the current market conditions. The Directors consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Conditions precedent to completion of the Placing**

Completion of the Placing is conditional upon (i) the Stock Exchange granting approval for listing of and permission to deal in the Placing Shares; and (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.

In the event the above conditions has not fulfilled on or prior to the 24th day after the date of the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

### **Termination of the Placing Agreement**

If at any time prior to 10:00 a.m. on the Completion Date, in the absolute opinion of the Placing Agent that the success of the Placing or the business or the financial prospects of the Group would or might be adversely affected by:-

- (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (b) any introduction of new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (c) any occurrence of 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
- (d) any imposition of moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (e) any change or development involving a prospective change in taxation in Hong Kong, Bermuda or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective Shareholders in their capacity as such; or

- (f) any change or deterioration in the conditions of local, national or international securities markets occurs,

the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date and in such event, the Placing Agreement shall cease and determine and no party shall have any claim against the other party except for any breach arising prior to such termination.

### **Completion of the Placing**

Completion of the Placing shall take place on the Completion Date.

**As completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **GENERAL MANDATE**

The Placing Shares will be issued under the General Mandate to allot, issue and deal in Shares granted to the Directors by a resolution of the Shareholders passed at the AGM pursuant to which the Directors are authorised to issue up to 575,063,972 Shares (representing 20% of the issued share capital in the Company as at the date of the AGM). Up to the date of this announcement, no Share has been issued under the General Mandate.

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

The principal activities of the Company are investment holding and provision of corporate management services. The Group is principally engaged in (i) the design, development, manufacture and sale of packaging products and point-of-sales display units; (ii) securities investment and trading business as well as (iii) money lending business.

Assuming that all the Placing Shares are placed, the gross proceeds and net proceeds from the Placing will amount to approximately HK\$92.01 million and approximately HK\$89.25 million respectively. The Company intends to use the net proceeds from the Placing as general working capital of the Group and/or to fund the expansion of its businesses.

The Board is of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

### **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming that all the Placing Shares are placed, there is no change in the share capital of the Company, no adjustment to the subscription price of and no exercise of the subscription rights attaching to the unlisted warrants issued by the Company on 25 June 2015 between the date of this announcement and the Completion Date) are as follows:

Name of Shareholders	As at the date of this Announcement		Immediately after the completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Amazing Bay Limited (Note 1)	1,459,641,400	40.61%	1,459,641,400	35.01%
Dr. Lam How Mun Peter (Note 2)	398,150	0.01%	398,150	0.01%
Ms. Poon Ho Yee Agnes (Note 2)	130,000	0.00%	130,000	0.00%
The Placees	–	–	575,063,972	13.79%
Existing public Shareholders	2,133,980,275	59.38%	2,133,980,275	51.19%
	<b>3,594,149,825</b>	<b>100.00%</b>	<b>4,169,213,797</b>	<b>100.00%</b>

*Notes:*

1. *1,459,641,400 of such Shares were held through Amazing Bay Limited, a company wholly-owned by Ms. Lo Ki Yan Karen (“Ms. Lo”). Accordingly, Ms. Lo was deemed to be interested in the same number of Shares held through Amazing Bay Limited.*
2. *Dr. Lam How Mun Peter is the non-executive Director of the Company and Ms. Poon Ho Yee Agnes is the executive Director of the Company.*

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
21 April 2015, 29 April 2015 15 May 2015, 8 June 2015	Placing of 287,531,980 warrants (“First Warrants Placing”) at the issue price of HK\$0.01 each entitling the holders thereof to subscribe for Shares (“First Warrant Shares”) at the exercise price of HK\$0.56 per Share	Approximately HK\$158.88 million	The net proceeds from the First Warrants Placing amount to approximately HK\$2.88 million which was raised for the general working capital of the Group. Any additional net proceeds from the issue of the First Warrant Shares of a maximum amount of approximately HK\$156 million will also be applied as the general working capital and as funds for future business development of the Group	The net proceeds of approximately HK\$2.88 million was used as intended  The First Warrant Shares has not yet been issued as at the date of this announcement
13 May 2015 and 8 June 2015	Placing of 287,531,992 warrants (“Second Warrants Placing”) at the issue price of HK\$0.01 each entitling the holders thereof to subscribe for Shares (“Second Warrant Shares”) at the exercise price of HK\$0.608 per Share	Approximately HK\$171.48 million	The net proceeds from the Second Warrants Placing amount to approximately HK\$2.88 million which was raised for the general working capital of the Group. Any additional net proceeds from the issue of the Second Warrant Shares of a maximum amount of approximately HK\$168.60 million will also be applied as the general working capital and as funds for future business development of the Group	The net proceeds of approximately HK\$2.88 million was used as intended  The Second Warrant Shares has not yet been issued as at the date of this announcement

Save as disclosed above, the Company has not conducted any fund raising activities in the past 12 months immediately before the date of this announcement.

## **APPLICATION FOR LISTING**

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Placing Shares.

## **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company held on 18 May 2015
“Business Day”	any day (excluding Saturday, Sunday or public holidays) on which banks are generally open for business in Hong Kong
“Company”	China Optoelectronics Holding Group Co., Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1332)
“Completion Date”	not later than the second Business Day following the satisfaction of all the conditions specified in the Placing Agreement or such later date as the Company and the Placing Agent shall agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules.
“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 the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are independent of and not connected with the Company or any Director, chief executive, substantial shareholder (as defined under the Listing Rules) or connected persons of the Company or any of its subsidiaries or any of their respective associates

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or professional investor(s) 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 by the Placing Agent pursuant to the terms of the Placing Agreement
“Placing Agent”	Enhanced Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	A conditional placing agreement dated 30 November 2015 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing on the date of the Placing Agreement and terminating at 5:00 p.m. on the 21st day after the date of the Placing Agreement (or such other period as agreed by the Placing Agent and the Company)
“Placing Price”	HK\$0.16 per Placing Share
“Placing Shares”	up to a maximum of 575,063,972 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) with par value 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
“%”	per cent

By order of the Board  
**China Optoelectronics Holding Group Co., Limited**  
**Lam How Mun Peter**  
*Chairman*

Hong Kong, 30 November 2015

As at the date of this announcement, the Board comprises the following Directors:-

*Executive Directors*

Ms. Poon Ho Yee Agnes (*Managing Director*)

Ms. Lin Ying

Mr. Lo Yuen Wa Peter

Ms. Sun Dixie Hui

*Non-executive Director*

Dr. Lam How Mun Peter (*Chairman*)

*Independent Non-executive Directors*

Mr. Chan Sze Hung

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

Mr. Man Wai Chuen

Mr. To Shing Chuen