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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](http://www.chnoe.com)*

**(Stock Code: 1332)**

## **PROPOSED AMENDMENTS TO UNLISTED WARRANTS**

### **PROPOSED AMENDMENTS TO THE FIRST WARRANTS**

On 30 November 2015 (after trading hour), the Company and the First Warrantholder entered into the First Warrants Deed of Variations pursuant to which the Company and the First Warrantholder conditionally agree to amend certain terms of the First Warrants by, inter alia, (i) lowering the subscription price of the First Warrants from HK\$0.56 to HK\$0.16; (ii) the First Warrantholder having agreed to exercise the subscription rights attaching to First Warrants to subscribe 287,531,980 Shares at the First Warrants New Subscription Price immediately within 5 Business Days after the First Warrants Amendments taking effect; and (iii) the First Warrantholder having agreed to surrender part of the First Warrants in the amount of HK\$115,012,792.00 subject to and upon the terms and conditions stipulated in the First Warrants Deed of Variations.

### **PROPOSED AMENDMENTS TO THE SECOND WARRANTS**

On 30 November 2015 (after trading hour), the Company and the Second Warrantholder entered into the Second Warrants Deed of Variations pursuant to which the Company and the Second Warrantholder conditionally agree to amend certain terms of the Second Warrants by, inter alia, (i) lowering the subscription price of the Second Warrants from HK\$0.608 to HK\$0.16; (ii) the Second Warrantholder having agreed to exercise the subscription rights attaching to Second Warrants to subscribe 287,531,992 Shares at the Second Warrants New Subscription Price immediately within 5 Business Days after the Second Warrants Amendments taking effect; and (iii) the Second Warrantholder having agreed to surrender part of the Second Warrants in the amount of HK\$128,814,332.416 subject to and upon the terms and conditions stipulated in the Second Warrants Deed of Variations.

## **SGM**

The Company will convene the SGM for the purposes of seeking approval of the Shareholders of, among others, the First Warrants Deed of Variations, the Second Warrants Deed of Variations and the transactions contemplated thereunder.

A circular containing, among others, further information on the First Warrants Deed of Variations, the Second Warrants Deed of Variations and the transactions contemplated thereunder and a notice of the SGM is expected to be despatched to the Shareholders as soon as practicable.

## **PROPOSED AMENDMENTS TO THE FIRST WARRANTS AND THE SECOND WARRANTS**

### **INTRODUCTION**

Reference is made to the announcements of the Company dated 21 April 2015, 29 April 2015, 13 May 2015, 15 May 2015 and 8 June 2015 respectively and the circular dated 9 June 2015 regarding the issue of the First Warrants and the Second Warrants.

### **FIRST WARRANTS DEED OF VARIATIONS**

On 30 November 2015 (after trading hour), the Company and the First Warrantholder entered into the First Warrants Deed of Variations pursuant to which the Company and the First Warrantholder conditionally agree to amend certain terms of the First Warrants by, inter alia, (i) lowering the subscription price of the First Warrants from HK\$0.56 to HK\$0.16; (ii) the First Warrantholder having agreed to exercise the subscription rights attaching to First Warrants to subscribe 287,531,980 Shares at the First Warrants New Subscription Price immediately within 5 Business Days after the First Warrants Amendments taking effect; and (iii) the First Warrantholder having agreed to surrender part of the First Warrants in the amount of HK\$115,012,792.00 subject to and upon the terms and conditions stipulated in the First Warrants Deed of Variations.

Save for the above variations, there is no other material changes to the terms and conditions of the First Warrants proposed to be effected by the First Warrants Deed of Variations.

## **First Warrants New Subscription Price**

The First Warrants New Subscription Price of HK\$0.16 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 execution of the First Warrants Deed of Variations;
- (ii) a discount of approximately 8.05% to the average closing price of HK\$0.174 per Share for the five consecutive trading days immediately prior to the date of execution of the First Warrants Deed of Variations as quoted on the Stock Exchange;
- (iii) a discount of approximately 34.16% to the average closing price of HK\$0.243 per Share for the ten consecutive trading days immediately prior to the date of execution of the First Warrants Deed of Variations as quoted on the Stock Exchange; and
- (iv) a discount of approximately 71.43% to the initial subscription price of HK\$0.56 of the First Warrants.

The First Warrants New Subscription Price was determined after arm's length negotiations between the Company and the First Warrantholder, after considering all the First Warrants Amendments as a package, the general market conditions and the trading price of the Shares.

## **First Warrants Shares and surrender of part of the value of the First Warrants**

The First Warrants (prior to the First Warrants Amendments) shall entitle the First Warrantholder to subscribe up to HK\$161,017,908.80 for Shares of the Company (i.e. 287,531,980 Shares at the initial subscription price of HK\$0.56).

Pursuant to the terms of the First Warrants Deed of Variations, the Company and the First Warrantholder agreed that notwithstanding the lowering of the subscription price, the maximum number of Shares the First Warrantholder is entitled to subscribe at the First Warrants New Subscription Price shall be maintained at 287,531,980 and, for such purpose, the First Warrantholder shall surrender part of the First Warrants in the value of HK\$115,012,792.00 so that the First Warrantholder shall subscribe HK\$46,005,116.80 for Shares (i.e. 287,531,980 Shares at the First Warrants New Subscription Price of HK\$0.16).

As at the date of this announcement, the issued share capital of the Company consists of 3,594,149,825 Shares. The 287,531,980 Shares represent approximately 8.00% of the issued share capital of the Company as of the date of this announcement and approximately 7.41% of the issued share capital of the Company as enlarged by these First Warrants Shares.

## **CONDITIONS PRECEDENT TO THE FIRST WARRANTS DEED OF VARIATIONS**

The First Warrants Deed of Variations is conditional upon fulfilment of the following conditions:

- (1) the passing of ordinary resolutions by the Shareholders at the SGM approving the First Warrants Deed of Variations and the transactions contemplated thereunder;
- (2) the listing committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Shares falling to be allotted and issued upon an exercise of the subscription rights attaching to the First Warrants in accordance with the terms and conditions of the First Warrants as amended by the First Warrants Deed of Variations; and
- (3) the Company having obtained from the Stock Exchange all requisite approval or consent to the First Warrants Amendments.

None of the conditions may be waived by any of the parties to the First Warrants Deed of Variations.

If the conditions are not fulfilled by 29 February 2016, the First Warrants Deed of Variations will lapse and be of no further effect and none of the parties to the First Warrants Deed of Variations will have any claim against or liabilities to the other party in respect of the First Warrants Deed of Variations save for any antecedent breaches of the First Warrants Deed of Variations.

The First Warrants Amendments will become effective on the date when all the conditions precedent are fulfilled or satisfied.

## **SECOND WARRANTS DEED OF VARIATIONS**

On 30 November 2015 (after trading hour), the Company and the Second Warrantholder entered into the Second Warrants Deed of Variations pursuant to which the Company and the Second Warrantholder conditionally agree to amend certain terms of the Second Warrants by, inter alia, (i) lowering the subscription price of the Second Warrants from HK\$0.608 to HK\$0.16; (ii) the Second Warrantholder having agreed to exercise the subscription rights attaching to Second Warrants to subscribe 287,531,992 Shares at the Second Warrants New Subscription Price immediately within 5 Business Days after the Second Warrants Amendments taking effect; and (iii) the Second Warrantholder having agreed to surrender part of the Second Warrants in the amount of HK\$128,814,332.416 subject to and upon the terms and conditions stipulated in the Second Warrants Deed of Variations.

Save for the above variations, there is no other material changes to the terms and conditions of the Second Warrants proposed to be effected by the Second Warrants Deed of Variations.

### **Second Warrants New Subscription Price**

The Second Warrants New Subscription Price of HK\$0.16 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 execution of the Second Warrants Deed of Variations;
- (ii) a discount of approximately 8.05% to the average closing price of HK\$0.174 per Share for the five consecutive trading days immediately prior to the date of execution of the Second Warrants Deed of Variations as quoted on the Stock Exchange;
- (iii) a discount of approximately 34.16% to the average closing price of HK\$0.243 per Share for the ten consecutive trading days immediately prior to the date of execution of the Second Warrants Deed of Variations as quoted on the Stock Exchange; and
- (iv) a discount of approximately 73.68% to the initial subscription price of HK\$0.608 of the Second Warrants.

The Second Warrants New Subscription Price was determined after arm's length negotiations between the Company and the Second Warrantholder, after considering all the Second Warrants Amendments as a package, the general market conditions and the trading price of the Shares.

## **Second Warrants Shares and surrender of part of the value of the Second Warrants**

The Second Warrants (prior to the Second Warrants Amendments) shall entitle the Second Warrantholder to subscribe up to HK\$174,819,451.136 for Shares of the Company (i.e. 287,531,992 Shares at the initial subscription price of HK\$0.608).

Pursuant to the terms of the Second Warrants Deed of Variations, the Company and the Second Warrantholder agreed that notwithstanding the lowering of the subscription price, the maximum number of Shares the Second Warrantholder is entitled to subscribe at the Second Warrants New Subscription Price shall be maintained at 287,531,992 and, for such purpose, the Second Warrantholder shall surrender part of the Second Warrants in the value of HK\$128,814,332.416 so that the Second Warrantholder shall subscribe HK\$46,005,118.72 for Shares (i.e. 287,531,992 Shares at the Second Warrants New Subscription Price of HK\$0.16).

As at the date of this announcement, the issued share capital of the Company consists of 3,594,149,825 Shares. The 287,531,992 Shares represent approximately 8.00% of the issued share capital of the Company as of the date of this announcement and approximately 7.41% of the issued share capital of the Company as enlarged by these Second Warrants Shares.

## **CONDITIONS PRECEDENT TO THE SECOND WARRANTS DEED OF VARIATIONS**

The Second Warrants Deed of Variations is conditional upon fulfilment of the following conditions:

- (1) the passing of ordinary resolutions by the Shareholders at the SGM approving the Second Warrants Deed of Variations and the transactions contemplated thereunder;
- (2) the listing committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Shares falling to be allotted and issued upon an exercise of the subscription rights attaching to the Second Warrants in accordance with the terms and conditions of the Second Warrants as amended by the Second Warrants Deed of Variations; and
- (3) the Company having obtained from the Stock Exchange all requisite approval or consent to the Second Warrants Amendments.

None of the conditions may be waived by any of the parties to the Second Warrants Deed of Variations.

If the conditions are not fulfilled by 29 February 2016, the Second Warrants Deed of Variations will lapse and be of no further effect and none of the parties to the Second Warrants Deed of Variations will have any claim against or liabilities to the other party in respect of the Second Warrants Deed of Variations save for any antecedent breaches of the Second Warrants Deed of Variations.

The Second Warrants Amendments will become effective on the date when all the conditions precedent are fulfilled or satisfied.

## **REASONS FOR ENTERING INTO THE FIRST WARRANTS DEED OF VARIATIONS AND THE SECOND WARRANTS DEED OF VARIATIONS**

The Company believes that in view of the current market conditions and the recent trading performance of the Shares, it is unlikely for the holder of the First Warrants or the Second Warrants to exercise the subscription rights to subscribe for Shares in near future. Even though both of the First Warrants and the Second Warrants are subject to mandatory exercise rights by the Company (i.e. the Company shall be entitled to request the holder thereof to fully exercise the subscription rights to subscribe for Shares), such mandatory exercise rights shall only be exercisable upon the expiry of the subscription period in respect of the First Warrants and the Second Warrants respectively, namely, 2 years after the issue date in June 2017. Accordingly, the Company may need to wait for a long period of time before it can receive any funds from the First or Second Warrants.

The First Warrants Amendments and the Second Warrants Amendments could allow the Company to raise funds from the First Warrants and the Second Warrants immediately. The Company agreed to lower the subscription prices and, in return, the holder of the First Warrants and Second Warrants agreed to subscribe the Shares immediately and surrender part of the First or Second Warrants. Such terms were determined after arm's length negotiations between the Company and the First or Second Warrantholder.

In view of the fluctuation in the economic environment and immediate inflow of the proceeds of approximately HK\$92 million upon the subscription of Shares by the First and Second Warrantholder, the Directors are of the view that the proposed First Warrants Amendments and the Second Warrants Amendments provide a good opportunity for the Company to strengthen the financial position of the Company and to cater for future needs of the Company including general working capital and future business development of the Group.

Based on the above, the Directors are of the views that the terms of the First Warrants Deed of Variations and the Second Warrants Deed of Variations, which were determined after arm's length negotiations between the Company and the First as well as Second Warrantholder respectively, are fair and reasonable and the entering into of the First Warrants Deed of Variations and the Second Warrants Deed of Variations are in the overall interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY, THE FIRST WARRANTHOLDER AND THE SECOND WARRANTHOLDER**

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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Warrantholder and the Second Warrantholder and its ultimate beneficial owners are Independent Third Parties.

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

The shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company immediately upon the exercise of the subscription rights attaching to the First Warrants and Second Warrants in accordance with the First Warrants Amendments and Second Warrants Amendments are set out as below for illustration purposes:-

<b>Name of Shareholders</b>	<b>As at the date of this Announcement</b>		<b>Immediately upon the exercise of the subscription rights attaching to the First Warrants and Second Warrants in accordance with the First Warrants Amendments and Second Warrants Amendments</b>	
	<b>Number of Shares</b>	<b>Approximate %</b>	<b>Number of Shares</b>	<b>Approximate %</b>
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%
First Warrantholder	–	–	287,531,980	6.90%
Second Warrantholder	–	–	287,531,992	6.90%
Existing public Shareholders	2,133,980,275	59.38%	2,133,980,275	51.18%
	<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.

## **SGM**

The Company will convene the SGM for the purposes of seeking approval of the Shareholders of, among others, the First Warrants Deed of Variations, the Second Warrants Deed of Variations and the transactions contemplated thereunder.

To the extent any beneficial owners of the First Warrants and the Second Warrants own Shares, they will abstain from voting at the SGM.

A circular containing, among others, further information on the above and a notice of the SGM is expected to be despatched to the Shareholders as soon as practicable.

## **Definition**

“Board”	the board of Directors
“Business Day”	Any day (excluding Saturday, Sunday or public holiday) on which banks generally in Hong Kong are open for business
“Company”	China Optoelectronics Holding Group Co., Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1332)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Warrantholder”	Freeman Securities Limited, the holder of the First Warrants

“First Warrants”	287,531,980 unlisted warrants issued by the Company on 25 June 2015, particulars of which are set out in the circular of the Company dated 9 June 2015
“First Warrants Amendments”	the amendments conditionally agreed by the Company and the First Warrantholder to be made to the terms and conditions of the First Warrants pursuant to the First Warrants Deed of Variations
“First Warrants Deed of Variations”	the conditional deed of variations dated 30 November 2015 entered into by the Company and the First Warrantholder in respect of the First Warrants Amendments
“First Warrants New Subscription Price”	HK\$0.16
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Group”	the Company and its subsidiaries
“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
“Second Warrantholder”	Freeman Securities Limited, the holder of the Second Warrants
“Second Warrants”	287,531,992 unlisted warrants issued by the Company on 25 June 2015, particulars of which are set out in the circular of the Company dated 9 June 2015

“Second Warrants Amendments”	the amendments conditionally agreed by the Company and the Second Warrantholder to be made to the terms and conditions of the Second Warrants pursuant to the Second Warrants Deed of Variations
“Second Warrants Deed of Variations”	the conditional deed of variations dated 30 November 2015 entered into by the Company and the Second Warrantholder in respect of the Second Warrants Amendments
“Second Warrants New Subscription Price”	HK\$0.16
“Share(s)”	the share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SGM”	the special general meeting of the Company to be convened and held by the Company for the purpose of considering and, if thought fit, approving the First Warrants Deed of Variations, the Second Warrants Deed of Variations and the transactions contemplated thereunder
“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