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CHAMPION TECHNOLOGY HOLDINGS LIMITED

(Continued in Bermuda with limited liability)

(Stock code: 92)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



結好證券有限公司
GET NICE SECURITIES LIMITED



聯合證券
Head & Shoulders Securities

On 26 July 2017, after trading hours, the Company and the Placing Agents entered into the Placing Agreements, pursuant to which the Placing Agents have agreed to place, on a best effort basis, up to an aggregate of 1,266,356,000 Placing Shares to Placees at the Placing Price of HK\$0.105 per Placing Share.

The Placing Price represents (i) a discount of approximately 19.23% to the closing price of HK\$0.1300 per Share as quoted on the Stock Exchange on 26 July 2017, being the date of the Placing Agreements; (ii) a discount of approximately 4.55% to the average closing price of HK\$0.1100 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and excluding the Last Trading Day; and (iii) a discount of approximately 2.60% to the average closing price of HK\$0.1078 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to and excluding the Last Trading Day.

The Placing is conditional upon the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing under each Placing Agreement shall be conditional upon the completion of other Placing Agreement and shall take place on the Completion Date.

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

Assuming that 1,266,356,000 Placing Shares are placed under the Placing, the net proceeds to be received by the Company, after deducting placing commission and other fees and expenses, will amount to approximately HK\$129.7 million. The Company intends to use the net proceeds as general working capital of the Group and for development of the existing and future projects of the Group.

Completion of the Placing is subject to fulfillment of the condition precedent in the Placing Agreements and inter-conditional upon completion of all Placing Agreements and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PLACING AGREEMENTS

On 26 July 2017, after trading hours, the Company and each of the Placing Agents entered into the Placing Agreements for the Placing of new Shares to be issued by the Company to Placees. Except for the number of Placing Shares, the terms of the Placing Agreements with each Placing Agent are substantially the same, details of which are set out below.

Date

26 July 2017 (after trading hours)

Parties

Placing Agreement I: (1) the Company, as issuer
(2) Get Nice Securities Limited, as Placing Agent I

Placing Agreement II: (1) the Company, as issuer
(2) Head & Shoulders Securities Limited,
as Placing Agent II

Number of Placing Shares

Pursuant to the Placing Agreements, the Placing Agents have agreed to place, on a best effort basis, up to 1,266,356,000 new Shares, which, having an aggregate nominal value of HK\$126,635,600, represent (i) approximately 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the 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).

The maximum number of Placing Shares to be placed under each Placing Agreement is set out below:

Placing Agreements

Placing Agreement I	Up to 900,000,000 Placing Shares
Placing Agreement II	Up to 370,000,000 Placing Shares
Total:	1,266,356,000 Placing Shares (Maximum number of Placing Shares)

Placing price

The Placing Price of HK\$0.105 per Placing Share represents:

- (i) a discount of approximately 19.23% to the closing price of HK\$0.1300 per Share as quoted on the Stock Exchange on 26 July 2017, being the date of the Placing Agreements;
- (ii) a discount of approximately 4.55% to the average closing price of HK\$0.1100 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and excluding the Last Trading Day; and
- (iii) a discount of approximately 2.60% to the average closing price of HK\$0.1078 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to and excluding the Last Trading Day.

This Placing Price was agreed after arm's length negotiations between the Company and the Placing Agents with reference to recent market prices of the Shares.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.1024 per Placing Share.

Placing Agents

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Placing Agents and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Placees

It is expected that the Placing Shares will be placed to Placees who are professional, institutional or other investors. The Placees (and, where relevant, their ultimate beneficial owners) shall be independent of and not connected or acting in concert (as defined in the Takeovers Code) with any connected person of the Company or its subsidiaries. It is expected that none of the Placees will become a controlling shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

Rights and ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Placing.

Condition precedent to completion of the Placing

The Placing is conditional upon the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares on or before the Long Stop Date. As at the date of this announcement, the above condition precedent has not yet been satisfied.

Unless mutually agreed otherwise in writing, in the event the above condition has not been fulfilled by the Long Stop Date, all rights, obligations and liabilities of the parties to the Placing Agreements in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing, save for any antecedent breaches and expenses payable by the Company.

Completion of the Placing

Completion of the Placing under each Placing Agreement shall be conditional upon the completion of the other Placing Agreement and shall take place on the Completion Date.

Further announcement will be made by the Company upon completion of the Placing.

Completion of the Placing is subject to fulfillment of the condition precedent in the Placing Agreements and inter-conditional upon completion of all Placing Agreements and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Termination of the Placing Agreements

Under each of the Placing Agreement, if at any time on or prior to the Completion Date:

- (a) in the reasonable opinion of the Placing Agent, there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date thereof and prior to the Completion Date which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or

- (c) there are any suspension of dealings in the Shares for more than ten consecutive trading days (other than as a result of the Placing); or
- (d) there are any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date,

the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) 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 the Completion Date.

GENERAL

Mandate to allot and issue new Shares

The Company is authorised to allot and issue up to 1,266,357,730 new Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 13 December 2016. Up to the date of this announcement, the Company has not utilised the General Mandate. As the Placing Shares will be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

Application for listing

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

INFORMATION OF THE GROUP

The Company is an investment holding company. Its subsidiaries are principally engaged in sales of cultural products, sales of goods and licensing (including sales of systems products, software licensing and customisation and provision of services), leasing of systems products and holding strategic investments in advanced technology product development companies and e-commerce projects.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to enhance the capital base of the Company. The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreements (including the Placing Price) are on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that the Placing Shares are fully placed under the Placing:

- (i) the gross proceeds from the Placing are estimated to be approximately HK\$133.0 million; and
- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, are estimated to be approximately HK\$129.7 million.

The Company intends to use the net proceeds as general working capital of the Group and for development of the existing and future projects of the Group.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing, assuming that the Placing Shares are fully placed under the Placing and there being no other change in the share capital and shareholding structure of the Company from the date of this announcement:

	As at the date of this announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<i>Connected person</i>				
Mr. Cheng Yang (<i>Note 1</i>)	1,766,860,957	27.90	1,766,860,957	23.25
<i>Public Shareholders</i>				
Placees	—	—	1,266,356,000	16.67
Other public shareholders	4,564,927,694	72.10	4,564,927,694	60.08
Sub-total:	<u>4,564,927,694</u>	<u>72.10</u>	<u>5,831,283,694</u>	<u>76.75</u>
Total:	<u>6,331,788,651</u>	<u>100.00</u>	<u>7,598,144,651</u>	<u>100.00</u>

Note:

- (1) These Shares are held by Advanced City Investments Limited, which is wholly owned by Mr. Cheng Yang, an executive Director. As such, Mr. Cheng Yang is deemed to be interested in all the Shares in which Advanced City Investments Limited is interested by virtue of the SFO.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	means a day (excluding Saturday, Sunday and any public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks generally are open for business in Hong Kong
“Company”	Champion Technology Holdings Limited, a company continued in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the 5th Business Day after the fulfillment of the condition specified in the Placing Agreements
“connected person(s)”	having the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal in not more than 1,266,357,730 new Shares by the Shareholders at the annual general meeting of the Company held on 13 December 2016
“Group”	collectively, the Company and its subsidiaries for the time being
“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
“Last Trading Day”	26 July 2017, being the date of the Placing Agreements
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	the date falling 10 Business Days after the date of the Placing Agreements (or such other time and date as the Placing Agents and the Company shall agree in writing)
“Placee(s)”	any person or entity procured by the relevant Placing Agents to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreements
“Placing Agents”	collectively, the Placing Agent I and the Placing Agent II
“Placing Agent I”	Get Nice Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Placing Agent II”	Head & Shoulders Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreements”	collectively, the Placing Agreement I and the Placing Agreement II
“Placing Agreement I”	the placing agreement dated 26 July 2017 entered into between the Company and the Placing Agent I in relation to the placing of up to 900,000,000 Shares
“Placing Agreement II”	the placing agreement dated 26 July 2017 entered into between the Company and the Placing Agent II in relation to the placing of up to 370,000,000 Shares
“Placing Price”	HK\$0.105 per Placing Share
“Placing Shares”	up to a total of 1,266,356,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code” the Hong Kong Code on Takeovers and Mergers

% per cent.

By order of the Board
CHAMPION TECHNOLOGY HOLDINGS LIMITED
Cheng Yang
Chairman

Hong Kong, 26 July 2017

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Yang and Mr. Liu Ka Lim; the non-executive director of the Company is Ms. To Yin Fong Cecilia; and the independent non-executive directors of the Company are Mr. Zhang Jingzhi, Mr. Leung Man Fai and Mr. Chan Yik Hei.