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ARTGO HOLDINGS LIMITED

雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Financial Adviser



Euto Capital Partners Limited

Placing Agent



太陽證券有限公司
SUN SECURITIES LIMITED

Sun Securities Limited

THE PLACING

On 1 July 2017, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 191,133,400 Placing Shares at the Placing Price of HK\$1.00 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate.

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 under the Placing represents (i) approximately 10.00% of the existing issue share capital of the Company of 1,911,334,000 Shares as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,911,334.

The Placing Price of HK\$1.00 per Placing Share represents (i) a premium of approximately 1.01% over the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 2.88% over the average closing price of HK\$0.972 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$191.13 million and approximately HK\$188.18 million, respectively. The net proceeds from the Placing are intended to be used for financing any potential investment opportunities of the Group that may arise from time to time. The net price per Placing Share is approximately HK\$0.98.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

1 July 2017

Issuer

The Company

Placing Agent

Sun Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 191,133,400 Placing Shares to independent Placees. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares either by itself or through its sub-placing agents to not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties.

Number of 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 191,133,400 Placing Shares under the Placing represents (i) approximately 10.00% of the

existing issue share capital of the Company of 1,911,334,000 Shares as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,911,334.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue at the time of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$1.00 per Placing Share represents (i) a premium of approximately 1.01% over the closing price of HK\$0.99 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 2.88% over the average closing price of HK\$0.972 per Share in the last five trading days immediately prior to the date of the Placing Agreement. The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Commission

The placing commission to be received by the Placing Agent pursuant to the Placing Agreement is 1.50% of the aggregate Placing Price (being HK\$1.00) of the Placing Shares (being the maximum number of 191,133,400 Shares).

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 382,266,800 Shares. As at the date of this announcement, no Share has been issued under the General Mandate.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Condition of the Placing Agreement

The Placing is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (i) the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, the Placing Shares;

- (ii) all necessary consents, approvals, authorisations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement; and
- (iii) the Placing Agent having received from the Company certified board resolutions approving the Placing and the entering into of the Placing Agreement.

In the event the aforesaid conditions are not fulfilled by 21 July 2017 (or such later date as may be agreed by the Placing Agent and the Company in writing) all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Termination of the Placing

The Placing Agent shall be entitled by notice in writing to the Company at any time prior to the Completion Date to terminate the Placing Agreement upon the occurrence of any of the following events which, in the opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions, affairs or prospects of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

(A) there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) 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, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong or any other jurisdiction relevant to the Group; or
- (ii) 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
- (iii) any material change in conditions of local, national or international securities markets occurs in Hong Kong, the People's Republic of China or the United States of America; or
- (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or any other jurisdiction relevant to the Group; or

- (B) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement which, if remediable, is not duly rectified by the Company within 7 Business Days of written notice being given to the Company of such breach by the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement 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 provision of the Placing Agreement, which in each case, if remediable, is not duly rectified by the Company within 7 Business Days of written notice being given to the Company of such breach by the Placing Agent; or
- (C) there is any adverse change in the financial position of the Group taken as a whole.

Upon the giving of the above mentioned notice by the Placing Agent to the Company, the Placing Agreement shall terminate and be of no further effect and all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and any out-of-pocket expenses which have been properly and reasonably incurred under the terms of the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing, in any event, will take place on the Completion Date.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company, the Group mainly engages in (i) mining, processing, trading and sales of marble stones and limestone and (ii) trading of commodities.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide additional working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company

As disclosed above, the maximum net proceeds will be approximately HK\$188.18 million. It is expected that the net proceeds from the Placing will be utilised for financing any potential investment opportunities of the Group that may arise from time to time.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Board confirms that the Company has not raised any funds on any issue of equity securities in the 12 months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding in the Company (a) as at the date of this announcement; and (b) immediately after completion of the Placing is as follows:

Shareholders	(a) as at the date of this announcement		(b) immediately after completion of the Placing	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Wu Jing	476,332,840	24.92	476,332,840	22.65
China Marble Investment Holdings Limited	231,872,452	12.13	231,872,452	11.03
Gu Zhengguo	219,333,000	11.48	219,333,000	10.43
Wang Jiangze	260,000,000	13.60	260,000,000	12.37
Xu Kefu	171,976,160	9.00	171,976,160	8.18
Sun Haocheng	140,678,000	7.36	140,678,000	6.69
Zhang Tao	108,000,000	5.65	108,000,000	5.14
The Places	—	—	191,133,400	9.09
Other public shareholders	<u>303,141,548</u>	<u>15.86</u>	<u>303,141,548</u>	<u>14.42</u>
Total	<u>1,911,334,000</u>	<u>100.00</u>	<u>2,102,467,400</u>	<u>100.00</u>

GENERAL

The Placing Shares will be issued under the General Mandate and therefore the Placing will not be subject to Shareholder's approval. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for business
“Company”	ArtGo Holdings Limited (雅高控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 3313)

“Completion Date”	within three (3) Business Days (or such other date as may be agreed between the Company and the Placing Agent) following the fulfillment of the condition in respect of Placing Agreement
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 23 May 2017 to issue and allot up to 382,266,800 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party who is independent of, and not connected with the Directors, chief executive or substantial shareholders of each of the Company, its subsidiaries and their respective associates, in accordance with the Listing Rules
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities
“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Sun Securities Limited, a corporation to carry on type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 1 July 2017 in relation to the Placing
“Placing Price”	HK\$1.00 per Placing Share
“Placing Shares”	up to a total of 191,133,400 new Shares to be placed pursuant to the Placing Agreement upon the terms and subject to the conditions set out in the Placing Agreement
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan)

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Artgo Holdings Limited
Wu Jing
Chairman and Executive Director

Hong Kong, 3 July 2017

As at the date of this announcement, the executive Directors are Mr. Gu Weiwen, Mr. Zhang Jian, Ms. Wu Jing, Dr. Leung Ka Kit and Mr. Li Dingcheng, the non-executive Director is Mr. Gu Zengcai, and the independent non-executive Directors are Ms. Zhang Xiaohan, Ms. Lung Yuet Kwan and Mr. Hui Yat On.