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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)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **THE MOU**

The Board announces that on 11 November 2019 (after trading hours), the Company entered into the non-legally binding MOU with the Subscriber, pursuant to which the Company intends to allot and issue, and the Subscriber intends to subscribe for the Subscription Shares at the Subscription Price of HK\$9.34 per Subscription Share.

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

**The Board wishes to emphasize that as at the date of this announcement, the parties have not yet entered into any legally binding agreement in relation to the Subscription. Shareholders and potential investors who wish to deal in the securities of the Company should note that the proposed Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

## **THE MOU**

On 11 November 2019 (after trading hours), the Company entered into the non-legally binding MOU with the Subscriber in relation to the proposed Subscription.

The summarised terms of the MOU are set out below:

- Date:** 11 November 2019
- Parties:** (i) the Company; and  
(ii) the Subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner is an Independent Third Party.

### **Number of Subscription Shares**

Pursuant to the MOU, the Company intends to allot and issue, and the Subscriber intends to subscribe for the Subscription Shares.

### **Ranking of Subscription Shares**

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

### **Subscription Price**

The Subscription Price of HK\$9.34 per Subscription Share represents:

- (i) a discount of approximately 5.08% to the closing price of HK\$9.84 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 36.87% over the average closing price of HK\$6.824 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of MOU.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares.

### **Lock Up Period**

It is intended that the Subscription Shares shall be subject to a lock up period of 6 months commencing from the date of the completion of the proposed Subscription, during which the Subscriber shall not transfer the Subscription Shares without the prior written approval given by the Company.

## **General Mandate to allot and issue the Subscription Shares**

The proposed Subscription is not subject to Shareholders' approval as the Subscription Shares will be issued under the General Mandate. As at the date of this announcement, the General Mandate has been utilized up to 346,536,178 Shares since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 203,872,132 Shares. As such, no Shareholders' approval is required for the allotment and issue of the Subscription Shares.

## **Negotiations**

Each of the Company and the Subscriber shall, with its best efforts and in good faith, procure the negotiation for the potential transaction and shall, within 30 Business Days upon signing of the MOU (or such other days the Company and the Subscriber may agree in writing) (the "**Expiry Period**"), conclude the Formal Agreement with legally-binding effect to materialise the transaction.

## **Termination**

Unless the parties agree otherwise in writing, the MOU shall be terminated at the earlier of:

- (i) the Expiry Period; or
- (ii) the date of execution of the Formal Agreement, and at that time the MOU shall be superseded by the execution of the Formal Agreement.

## **Legal effect**

Save for those provisions relating to the Subscription Price, termination, confidentiality, governing law and jurisdiction, the provisions of the MOU does not have any legal effect.

## **INFORMATION ON THE SUBSCRIBER**

Based on the information provided to the Company, the Subscriber is a company registered in the PRC with limited liability and is principally engaged in (i) mineral exploration, (ii) mine development, and (iii) provision of exploration technical and consultancy services. The Board was advised that, as at the date of this announcement, the largest shareholder of the Subscriber is Beijing Institute of Geology for Mineral Resources\* (北京礦產地質研究院) which is administered under the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

## **REASONS FOR ENTERING INTO THE PROPOSED SUBSCRIPTION**

The Company is an investment holding company and the Group mainly engages in mining, processing, trading and sales of marble stones, trading of commodities and cargo handling, warehousing and logistics.

The Directors consider that the Subscription, if materialized, represents an opportunity to raise additional funding for the Group's business operation, investment and acquisitions. The Subscription will also strengthen the capital base and financial position for the Group's future business developments and broaden the Shareholder base of the Company.

Furthermore, the Directors consider that the Subscription is a preferred method of fund raising as compared with other equity fund raising exercises based on time and costs involved.

**The Board wishes to emphasize that as at the date of this announcement, the parties have not yet entered into any legally binding agreement in relation to the Subscription. Shareholders and potential investors who wish to deal in the securities of the Company should note that the proposed Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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 Main Board (Stock code: 3313)
“connected person(s)”	has the meaning as ascribed thereto under the Main Board Listing Rules
“Director(s)”	the director(s) of the Company
“Expiry Period”	30 Business Days upon signing of the MOU
“Formal Agreement”	the formal shares subscription agreement which may or may not be entered into in relation to the possible Subscription
“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 31 May 2019 to issue and allot up to 550,408,310 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the said meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	11 November 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange
“MOU”	the memorandum of understanding dated 11 November 2019 entered into by the Company and the Subscriber setting out the preliminary understanding relating to the possible Subscription
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	中色地科礦產勘查股份有限公司(Sinotech Minerals Exploration Co., Ltd.*)
“Subscription”	a possible subscription of the Subscription Shares by the Subscriber pursuant to the MOU
“Subscription Price”	HK\$9.34 per Subscription Share
“Subscription Shares”	Not more than 100,000,000 new Shares (each a “Subscription Share”)
“%”	per cent.

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

Hong Kong, 11 November 2019

*As at the date of this announcement, the executive Directors are Mr. Gu Weiwen, Mr. Zhang Jian and Ms. Wu Jing; 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.*

*\* For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese names prevail.*