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HANBO ENTERPRISES HOLDINGS LIMITED

恒寶企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1367)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 22 December 2016 (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\$2.05 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 96,000,000 Placing Shares under the Placing represents 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

The Placing Price of HK\$2.05 represents (i) a discount of approximately 17.67% to the closing price of the Shares of HK\$2.49 as quoted on the Stock Exchange on 22 December 2016, being the date of the Placing Agreement and (ii) a discount of approximately 16.67% to the average closing price of the Shares of approximately HK\$2.46 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to 22 December 2016.

Assuming that all the Placing Shares are fully placed, the gross proceeds and net proceeds from the Placing will be approximately HK\$197 million and approximately HK\$189 million respectively, which will be used for general working capital of the Group and business development for financial services business and to finance attractive investment opportunities if and when arise.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

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

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date 22 December 2016 (after trading hour)

Parties: The Company and The Placing Agent

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 being 3.0% of the amount equal to the Placing Price multiplied by the maximum number of the Placing Shares. The Directors are of the view that given the recent market volatilities and the prevailing market practice, the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placees, being 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, who and whose ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons (including PVIL) and their respective associates.

The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees and their ultimate beneficial owner(s) will become substantial Shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing.

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 Date, the maximum number of 96,000,000 Placing Shares under the Placing represents 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$2.05 per Share represents:

- (i) a discount of approximately 17.67% to the closing price of HK\$2.49 per Share as quoted on the Stock Exchange on 22 December 2016, being the date of the Placing Agreement; and
- (ii) a discount of approximately 16.67% to the average closing price per Share of approximately HK\$2.46 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to 22 December 2016.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares 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 of the Placing Agreement

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the 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 its terms of the Placing Agreement.

If the conditions abovementioned are not fulfilled on or prior to the 21st day after the date of the Placing Agreement, 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 and force majeure events

The Placing Agreement may be terminated by the Placing Agent 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 financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any 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
 - (c) 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
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands 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
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, 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.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the clauses above, all obligations of each of the parties under Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with Placing Agreement except for any breach arising prior to such termination.

Completion

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

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

General Mandate

The Placing Shares will be allotted and issued under the General Mandate. Up to the date of this announcement, no new Shares have been allotted and issued under the General Mandate. The 96,000,000 Placing Shares to be allotted and issued will fully utilise the General Mandate.

Reasons for the Placing and use of proceeds

The Group principally engages in the trading of apparel products, provision of apparel supply chain management services for woven wear (such as shirts, pants, jeans and jackets) and accessories and provision of financing. As previously announced by the Company on 6 December 2016, 13 December 2016, 16 December 2016 and 20 December 2016 (the “Announcements”), the Company intends to diversify the Group’s operations into the financial sector which includes but not limited to the provision of financing, brokerage, asset management and investment management services, and securities investments. Accordingly, the Group has acquired 100% of the issued share capital of a corporation licensed to conduct money lending business in Hong Kong under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and acquired 9.5% of the issued share capital of a licensed corporation to carry on Type 1 (Dealing in securities) regulated activity under the SFO. In addition, a memorandum of understanding has been signed in relation to a possible acquisition of the entire issued share capital of a licensed corporation to carry on Type 9 (Asset management) regulated activity under the SFO. Further, the Company would continue to recruit qualified persons to carry out the corresponding financial services activities. Details of the Group’s business updates can be referred to the Announcements. The Directors are of the view that the Placing represents a good opportunity for the Group to raise additional capital, which would allow the Company to increase its capital base and widen the Shareholder base.

Assuming all the Placing Shares were allotted and issued, the gross proceeds of the Placing will amount to approximately HK\$197 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$189 million after deducting relevant expenses incurred in relation to the Placing.

It is expected that the net proceeds will be used for general working capital of the Group and business development for financial services business and to finance attractive investment opportunities if and when they arise.

Fund raising activities in the past twelve months

There had not been other equity fund raising activity conducted by the Group in the past twelve months.

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 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 completion of the Placing	
	Number of Shares	%	Number of Shares	Approximate %
PVIL	360,000,000	75.00	360,000,000	62.50
Public Shareholders				
The Places	—	—	96,000,000	16.67
Other public Shareholders	<u>120,000,000</u>	<u>25.00</u>	<u>120,000,000</u>	<u>20.83</u>
Total	<u>480,000,000</u>	<u>100.00</u>	<u>576,000,000</u>	<u>100.00</u>

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Hanbo Enterprises Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares are listed on the Main Board of the Stock Exchange (stock code: 1367)
“Completion Date”	not later than the second Business Day following the satisfaction of all the conditions specified in the Placing Agreement or the expiry of the Placing Period or such other date as the Company and the Placing Agent shall agree
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting on 3 June 2016 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	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”	placing of a maximum number of 96,000,000 Placing Shares on a best effort basis by the Placing Agent at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Win Wind Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 22 December 2016 entered into between the Placing Agent and the Company in respect of the Placing
“Placing Period”	the period commencing from the execution of the Placing Agreement and terminating at 5:00 p.m. on the 14th day after the date of the Placing Agreement (or such other period as agreed by the Placing Agent and the Company)
“Placing Price”	HK\$2.05 per Placing Share
“Placing Shares”	up to a maximum of 96,000,000 Shares to be issued and allotted under the General Mandate and to be placed under the Placing
“PVIL”	Plus Value International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Lai Leong. It is the controlling Shareholder
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“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
Hanbo Enterprises Holdings Limited
Jia Bowei
Chairman & Executive Director

Hong Kong, 22 December 2016

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

Executive Directors:

Mr. Jia Bowei
Mr. Lam Kwan Sing
Mr. Wong Nga Leung

Independent Non-Executive Directors:

Mr. Fok Ho Yin, Thomas
Mr. Chan Wai Cheung, Admiral
Mr. Hon Ming Sang