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ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED
浙江聯合投資控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8366)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

On 24 April 2019 (after the trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 137,200,000 Placing Shares to not less than six independent Placees at the Placing Price of HK\$0.365 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Placing Shares representing approximately 9.53% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.365 per Placing Share represents (i) a discount of approximately 18.89% to the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 8.96% over the average of the closing prices per Share of HK\$0.335 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The gross proceeds from the Placing will be approximately HK\$50.1 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$48.9 million. The Company intends to use (i) approximately HK\$10 million to facilitate the expansion of the 5G business; (ii) approximately HK\$20 million to facilitate the future expansion of the existing construction business and future business opportunity to be identified by the Company and (iii) the remaining of approximately HK\$18.9 million will be utilized for general working capital of the Group.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the last annual general meeting of the Company held on 5 September 2018.

The Placing is conditional upon, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

As Completion is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

24 April 2019 (after trading hours)

Issuer

The Company

Placing Agent

Emperor Securities Limited

The Placing Agent has been appointed to place up to 137,200,000 Placing Shares at the Placing Price of HK\$0.365, on a best effort basis, to not less than six Placees. To the best of the Directors' knowledge, information and belief after 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 Shares will be placed to not less than six Placees which will be professional, institutional, and/or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) immediately after the Placing.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Company shall place, through the Placing Agent, on a best efforts basis, the maximum Placing Shares of up to 137,200,000 Shares representing 9.53% of the existing issued share capital of the Company as at the date of this announcement and 8.70% 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 Placing Shares under the Placing will be HK\$1,372,000.

Placing Price

The Placing Price of HK\$0.365 per Placing Share represents (i) a discount of approximately 18.89% to the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 8.96% over the average of the closing prices per Share of HK\$0.335 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market conditions, prevailing market prices and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

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

Placing commission

The Placing Agent will receive a placing commission calculated as 2.0% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed in accordance with the Placing Agreement. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size of the Placing and the prevailing market condition.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the last annual general meeting of the Company held on 5 September 2018, subject to the limit up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date, being 1,440,000,000 Shares. Up to the date of this announcement, no new Share has been allotted and issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Conditions of the Placing

The Placing is conditional upon

- (a) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Placing and the transactions contemplated thereunder having been obtained.

If the above conditions are not fulfilled by the Long Stop Date, the Placing Agreement shall, unless agreed by both parties to extend the Long Stop Date, terminate and all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

Lock-up undertaking

Each of the Placees undertakes to the Company that it will not dispose of his/her/its Placing Shares within twelve (12) months from the Completion Date unless with the prior written consent from the Company.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares 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 if there develops, occurs or comes into force:

- (a) 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 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, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or

- (c) 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 and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any 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 hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a breach by the Company of any other provision of the Placing Agreement in a material respect which would affect the success of the Placing; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of termination notice pursuant to the Placing Agreement, all respective obligations of either party under the Placing Agreement shall cease and determine and neither 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 and liabilities under the Placing Agreement.

Application for listing

The Company will apply to the Listing Committee of Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Completion

The Placing shall complete on the Completion Date, being the date within five Business Days after the date on which all the conditions set out above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong and construction business in the PRC.

Assuming all the 137,200,000 Placing Shares are successfully placed, the gross proceeds raised from the Placing will be approximately HK\$50.1 million. After taking into account the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$48.9 million, representing a net price of approximately HK\$0.356 per Placing Share.

The Company intends to use (i) approximately HK\$10 million to facilitate the expansion of the 5G business; (ii) approximately HK\$20 million to facilitate the future expansion of the existing construction business and future business opportunity to be identified by the Company and (iii) the remaining of approximately HK\$18.9 million will be utilized for general working capital of the Group. The Board considers that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

	As at the date of this announcement		Upon completion of the Placing (assuming all the Placing Shares have been issued and allotted)	
	No. of shares	%	No. of shares	%
United Financial Holdings Group Limited (<i>Note</i>)	1,080,000,000	75.00	1,080,000,000	68.48
Public Shareholders	360,000,000	25.00	360,000,000	22.82
Placees	—	—	137,200,000	8.70
	<u>1,440,000,000</u>	<u>100.00</u>	<u>1,577,200,000</u>	<u>100.00</u>

Note: United Financial Holdings Group Limited is wholly owned by Century Investment Holdings Limited which in turn is wholly owned by Mr. Zhou Ying, a director and the Chairman of the Company.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the 12 months immediately preceding the date of this announcement.

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

DEFINITIONS

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

“5G”	The fifth generation wireless communication technology
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	Zhejiang United Investment Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM (stock code: 8366)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the date within five Business Days after the date on which all the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing
“connected persons”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the last annual general meeting of the Company held on 5 September 2018 to allot, issue or 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
“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company

“Last Trading Day”	24 April 2019, being the last trading day for the Shares prior to this announcement
“Long Stop Date”	15 May 2019, or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties, to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing, on a best efforts basis, of up to 137,200,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 24 April 2019 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.365 per Placing Share
“Placing Shares”	up to 137,200,000 Shares to be placed under the Placing
“PRC”	People Republic of China
“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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
ZHEJIANG UNITED INVESTMENT HOLDINGS GROUP LIMITED
Zhou Ying
Chairman

Hong Kong, 24 April 2019

As at the date of this announcement, the executive Directors are Mr. Zhou Ying and Ms. Meng Ying, the independent non-executive Directors are Mr. Zheng Xuchen, Mr. Wong Man Hin, Raymond and Mr. Tang Yiu Wing.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the day of its posting and on the Company’s website <http://www.zjuv8366.com>.