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透云科技
Ty. Technology

China Touyun Tech Group Limited

中國透雲科技集團有限公司

(Incorporated in Bermuda with limited liability)

Website: www.chinatouyun.com.hk

(Stock Code: 1332)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 13 March 2020, the Company and the Subscriber entered into the Agreement under which the Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe 135,135,135 new Shares at the Subscription Price of HK\$0.37 per Share.

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

The gross proceeds and the net proceeds from the Subscription are HK\$50,000,000 and HK\$49,876,000, respectively.

The total number of Subscription Shares represent approximately 5.52% of the issued share capital of the Company as at the date of this announcement and approximately 5.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Shareholders and potential investors should note that Completion is subject to the fulfillment or waiver of the conditions under the Agreement. The Subscription may or may not complete. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

THE SUBSCRIPTION

On 13 March 2020, the Company and the Subscriber entered into the Agreement. The principal terms of the Agreement are set out below.

Subscription

The Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe for 135,135,135 new Shares at the Subscription Price of HK\$0.37 per Share.

Subscription Shares

The 135,135,135 new Shares represent approximately 5.52% of the issued share capital of the Company as at the date of this announcement and approximately 5.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$5,405,405.40.

Subscription Price

The Subscription Price of HK\$0.37 per Share represents:

- (a) a discount of approximately 17.78% to the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the date of the Agreement; and
- (b) a discount of approximately 19.57% to the average closing price of HK\$0.46 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Agreement.

After deducting the relevant expenses of the Subscription, the net subscription price is approximately HK\$0.369 per Share.

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

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM.

Under the General Mandate, a maximum of 489,865,565 new Shares may fall to be allotted and issued. The General Mandate has not been otherwise utilised prior to the date of this announcement. Accordingly, no Shareholders' approval is required for, the allotment and issue of the Subscription Shares.

Since the date of the AGM and up to the date of this announcement, no Shares have been allotted and issued by the Company under the General Mandate. The allotment and issue of the Subscription Share is not subject to the approval of the Shareholders.

Ranking of the Subscription Shares and Application for Listing

The Subscription Shares will be allotted and issued together with all rights attaching to them, including the right to receive all dividends declared and will rank *pari passu* with all other issued Shares in all respects as at the date of allotment and issue. The Company will apply to the Listing Committee for listing of and permission to deal in the Subscription Shares.

Condition of the Agreement

Completion is conditional upon the Listing Committee having granted the listing of and the permission to deal in the Subscription Shares.

The condition may not be waived.

If any of the above conditions is not satisfied on or before the Long Stop Date, the Subscription Agreement will lapse and neither party to the Agreement may have any claim against each other save for antecedent breaches.

Completion

Completion is expected to take place within five (5) Business Days after the date upon satisfaction of the condition.

INFORMATION ON THE SUBSCRIBER

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party. The Subscriber is experienced in investments and the finance industry.

REASONS FOR THE ISSUE OF SUBSCRIPTION SHARES AND USE OF PROCEEDS

The principal activities of the Group are (i) provision of QR codes on product packaging and solutions and advertising display services; (ii) manufacture and sale of packaging products; and (iii) investment and trading in securities and money lending.

The Board considers that the terms of the Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds and the net proceeds from the Subscription are HK\$50,000,000 and HK\$49,876,000, respectively.

The gross proceeds are intended to be applied as general working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding interest of the Shareholders would be diluted upon Completion. The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after Completion, assuming that there is no further allotment of Shares from the date of this announcement are as follows:

	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding
Mr. Wang	560,000,000	22.86	560,000,000	21.67
Mr. Qin Fen	197,470,000	8.06	197,470,000	7.64
Ms. Qiao Yanfeng	150,000,000	6.12	150,000,000	5.8
The Subscriber	—	—	135,135,135	5.23
Other Shareholders	<u>1,541,857,825</u>	<u>62.96</u>	<u>1,541,857,825</u>	<u>59.66</u>
Total	<u>2,449,327,825</u>	<u>100</u>	<u>2,584,462,960</u>	<u>100</u>

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Except for the equity fund raising activities as mentioned below, there has not been any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
9 October 2019	Issue of convertible bonds in the principal amount of HK\$210 million	HK\$209 million	To be utilised fully for redemption of the 7.0% secured convertible bonds of the Company	NA (<i>Note</i>)

Note: As at the date of this announcement, completion of the issue of the convertible bonds have yet to take place. Please refer to the announcement of the Company dated 15 January 2020.

Shareholders and potential investors should note that Completion is subject to the fulfillment or waiver of the conditions under the Agreement. The Subscription may or may not complete. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 5 June 2019
“Agreement”	the agreement dated 13 March 2020 entered into between the Company and the Subscriber in relation to the Subscription
“Board”	the board of Directors
“Business Day(s)”	a day, other than a Saturday and Sunday, on which licensed banks in Hong Kong are generally open for business
“Company”	China Touyun Tech Group Limited, a company with limited liability incorporated under the laws of the Bermuda whose shares are listed on the Stock Exchange (Stock Code: 1332)
“Completion”	completion of the Subscription
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with 20% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (ies)”	independent third party (ies) who is (are) independent of, and not connected with, the Company and its connected persons
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	3 April 2020 (or such other date the Company notified the Subscriber in writing)
“Shares”	ordinary shares of HK\$0.04 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Tian Yuze* (田宇澤), an individual investor
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Agreement
“Subscription Price”	HK\$0.37 per Share
“Subscription Shares”	135,135,135 new Shares
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Touyun Tech Group Limited
Wang Liang
Chairman

Hong Kong, 13 March 2020

* *for identification purposes only*

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

Executive Directors

Mr. Wang Liang (*Chairman*)

Mr. Du Dong

Mr. Lo Yuen Wa Peter

Non-executive Director

Mr. Chen Hui

Independent non-executive Directors

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

Mr. To Shing Chuen