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Asia-express Logistics Holdings Limited

亞洲速運物流控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8620)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING

On 28 April 2023 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 48,000,000 Placing Shares at the Placing Price of HK\$0.157 per Placing Share.

The Placing Shares represents: (a) 10.0% of the issued share capital of the Company as at the date of this announcement; and (b) approximately 9.1% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full (assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date other than the issue of the Placing Shares).

The Placing Price of HK\$0.157 per Placing Share represents (i) a discount of approximately 0.63% to the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 3.29% to the average closing price of approximately HK\$0.152 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the Last Trading Day.

Assuming that all Placing Shares are successfully placed, the gross proceeds from the Placing are expected to be approximately HK\$7.50 million, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK\$7.30 million, representing a net issue price of approximately HK\$0.153 per Placing Share.

The Company intends to apply the net proceeds from the Placing as general working capital of the Group.

GENERAL

The Placing Shares will be issued pursuant to the General Mandate.

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

As Completion is conditional upon fulfilment of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE PLACING

On 28 April 2023 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 48,000,000 Placing Shares at the Placing Price of HK\$0.157 per Placing Share.

The principal terms and conditions of the Placing Agreement are as follows:

Date

28 April 2023 (after trading hours of the Stock Exchange)

Parties

- (1) The Company as issuer; and
- (2) The Placing Agent as placing agent

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing commission

Pursuant to the terms of the Placing Agreement, the Placing Agent will charge a placing commission of 2% of the aggregate amount equal to the Placing Price multiplied by the number of Placing Shares actually being placed by the Placing Agent.

The placing commission was negotiated on arm's length basis between the Company and the Placing Agent, and was determined with reference to, among other things, the market conditions, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Number of Placing Shares

The Placing Agent has conditionally agreed to act as agent of the Company to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 48,000,000 Placing Shares at the Placing Price, upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents: (a) 10.0% of the issued share capital of the Company as at the date of this announcement; and (b) approximately 9.1% of the issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date other than the issue by the Company of the Placing Shares).

Ranking of Placing Shares

The Placing Shares under the Placing will rank *pari passu* in all respects with the existing Shares in issued on the date of allotment and issue of the Placing Shares.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and whose respective ultimate beneficial owners are Independent Third Parties.

Placing Price

The Placing Price is HK\$0.157 per Placing Share and represents:

- (i) a discount of approximately 0.63% to the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 3.29% to the average closing price of approximately HK\$0.152 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day; and

The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HK\$0.153 per Placing Share. Based on a nominal value of HK\$0.01 per Share, the aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$480,000.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent after taking into account the prevailing market price of the Shares and the recent trading performance of the Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals (if any) to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 19 May 2023 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Application for listing

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

Completion

Completion of the Placing will take place within four (4) Business Days after the fulfillment of the above conditions precedent or such other date to be agreed between the Company and the Placing Agent in writing.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date upon the occurrence of the following events:

- (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 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 reasonable opinion would adversely affect the success of the Placing; or

- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would affect the success of the Placing; or
- (iii) 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 reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) 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 reasonable opinion would affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties of the Company to the Placing Agent under the Placing Agreement comes to the knowledge of 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 had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to this section, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 22 August 2022 subject to the limit up to 20% of the total number of issued Shares as at the date of passing of the relevant resolution. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the maximum number of new Shares that could be allotted and issued under the General Mandate is 96,000,000 Shares. The allotment and issue of the Placing Shares will be allotted and issued under the General Mandate, and are not subject to Shareholders' approval.

REASONS FOR AND BENEFIT OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in the provision of air cargo terminal operation services, transportation services and warehousing and other value-added services in Hong Kong and the PRC.

As disclosed in the interim report of the Company for the six months ended 30 September 2022, the Group recorded net current liabilities of approximately HK\$8.6 million as at 30 September 2022. In order to strengthen the cash position of the Group and to cope with the ongoing working capital needs of the Group's operation, the Directors are of the view that the Placing represents a good opportunity to raise additional funds for the Group's operation as well as to broaden the capital and shareholder base of the Company. As such, the Directors consider the terms of the Placing Agreement, including the Placing Price and the placing commission, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon Completion, the gross proceeds from the Placing are expected to be HK\$7.50 million. The net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are estimated to be approximately HK\$7.30 million, representing a net issue price of approximately HK\$0.153 per Placing Share. The Company intends to apply the net proceeds from the Placing as general working capital of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming all the Placing Shares are fully placed and there are no other changes in the share capital of the Company from the date of this announcement up to the Completion Date, to the best knowledge and belief of the Directors and based on the disclosure of interest filed by the substantial shareholder, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion:

Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares held</i>	<i>Approximate % of total issued Shares</i>	<i>Number of Shares held</i>	<i>Approximate % of total issued Shares</i>
3C Holding Limited (<i>Note 1</i>)	330,120,000	68.8	330,120,000	62.5
Diligent City Limited (<i>Note 2</i>)	29,880,000	6.2	29,880,000	5.7
<i>Public Shareholders</i>				
Placees	—	—	48,000,000	9.1
Other public Shareholders	<u>120,000,000</u>	<u>25.0</u>	<u>120,000,000</u>	<u>22.7</u>
Total	<u>480,000,000</u>	<u>100.0</u>	<u>528,000,000</u>	<u>100.0</u>

Notes:

1. 3C Holding Limited is the beneficial owner of 330,120,000 Shares and is a company owned as to 95% by Mr. Chan Le Bon, an executive Director; and 5% by Mr. Chan Yu, an executive Director, respectively.
2. Diligent City Limited is the beneficial owner of 29,880,000 Shares and is a company wholly owned by Mr. Choy Wing Hang, William, a non-executive Director.

GENERAL

As Completion is conditional upon fulfilment of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms in this announcement have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or statutory holiday and days on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12: 00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for ordinary banking business throughout their normal business hours
“Company”	Asia-express Logistics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8620)
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	a date falling within four (4) Business Days after the day on which all the conditions set out in the section headed “Conditions of the Placing” of this announcement have been fulfilled (or such later date as may be agreed between the parties hereto in writing)
“connected person(s)”	has the same meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company from time to time
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the Company’s annual general meeting held on 22 August 2022 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	28 April 2023, being the last full trading day for the Shares before publication of this announcement
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 48,000,000 Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Grand China Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 28 April 2023 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.157 per Placing Share
“Placing Share(s)”	up to 48,000,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Asia-express Logistics Holdings Limited
Chan Le Bon
Executive Director and Chairman

Hong Kong, 28 April 2023

As at the date of this announcement, the executive Directors are Mr. Chan Le Bon and Mr. Chan Yu; the non-executive Director is Mr. Choy Wing Hang William; and the independent non-executive Directors are Mr. Fu Lui, Mr. Chan Chi Ho and Ms. Chui Sin Heng.

This announcement, for which the Directors 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 beliefs 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 Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Announcement" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.asia-expresslogs.com.