

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any shares in the Company.*



## Ziyuanyuan Holdings Group Limited

### 紫元元控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8223)**

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

### Placing Agent



博大證券有限公司  
Partners Capital Securities Limited

博大科技金融控股成員  
MEMBER OF PARTNERS FINTECH HOLDINGS

### THE PLACING

The Board is pleased to announce that on 12 December 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 40,000,000 Placing Shares, to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at the Placing Price of HK\$1.11 per Placing Share.

The Placing Price of HK\$1.11 per Placing Share represents (i) a discount of approximately 13.28% to the closing price of HK\$1.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 19.33% to the average of the closing prices per Share of approximately HK\$1.38 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The maximum number of the Placing Shares represents (i) 10.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be HK\$44.4 million and the net proceeds will be approximately HK\$42.7 million (after deduction of commission and other expenses of the Placing). The Directors intend to apply the net proceeds from the Placing for the working capital of the Group, including 20-30% of the net proceeds are planned to be used to cover ongoing administrative and operating expenses and 70-80% of the net proceeds will be used for development of the finance leasing business and the trading of medical equipment and consumables business of the Group.

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

## THE PLACING

The Board is pleased to announce that on 12 December 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing.

Set out below are the principal terms of the Placing Agreement:

**Date:** 12 December 2023

**Parties:**

Issuer: The Company

Placing Agent: Partners Capital Securities Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing Agent will charge the Company a placing commission of 2.5% of the gross proceeds from the Placing. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents. 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.

## **Placees**

The Placing Shares are expected to be placed to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. Upon completion of the Placing, none of the Placees would be expected to become a substantial Shareholder.

If the Placing Shares were to be placed to less than six Placees or if any of the Placees would become a substantial Shareholder after completion of the Placing, further announcement would be made by the Company.

## **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 of the Placing, the maximum number of Placing Shares of up to 40,000,000 Shares under the Placing represents (i) 10.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.09% 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 maximum of 40,000,000 Placing Shares under the Placing will be HK\$4,000,000.

## **Placing Price**

The Placing Price of HK\$1.11 per Placing Share represents:

- (i) a discount of approximately 13.28% to the closing price of HK\$1.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 19.33% to the average of the closing prices per Share of approximately HK\$1.38 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 with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing (including the Placing Price) is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

## **Conditions of the Placing**

The Placing is conditional upon:

- (i) the 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 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 hereunder having been obtained.

If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before the Long Stop Date, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

## **Completion of the Placing**

Completion of the Placing shall take place on a day falling within two (2) Business Days after the fulfilment of the conditions as set out in paragraph headed “Conditions of the Placing” above are satisfied (or such other date as may be agreed between the Company and the Placing Agent in writing).

## **Application for listing**

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

## **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 80,000,000 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

## **Termination and force majeure**

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 6:00 p.m. on the day immediately preceding the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 6:00 p.m. on the day immediately preceding the Completion Date,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing; or

(iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated and the Placing Agent shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

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

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Company is an investment holding company, and the Group is principally engaged in provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipment and consumables business in the PRC.

The Directors believe that the Placing can replenish the capital of the Company given that the finance leasing business and the trading of medical equipment and consumables business of the Group are capital intensive business. The Placing is a good opportunity to strengthen the Group's financial position.

The Directors believe that the Placing represents an opportunity to raise capital for the Group while broadening the Shareholder and capital base of the Company. Accordingly, the Directors are of the view that the Placing is in the best interest of the Company and its Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be HK\$44.4 million and the net proceeds will be approximately HK\$42.7 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$1.07 per Placing Share.

The Directors intend to apply the net proceeds from the Placing for the working capital of the Group, including 20-30% of the net proceed is planned to be used to cover ongoing administrative and operating expenses and 70-80% of the net proceeds will be used for development of the finance leasing business and the trading of medical equipment and consumables business of the Group.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement and (ii) the effect on the shareholding structure upon completion of the Placing (assuming all the Placing Shares are fully placed) are set out below:

Name of Shareholder	As at the date of this announcement		Immediately upon completion of the Placing (assuming all the Placing Shares are fully placed)	
	No. of Shares	Approx. %	No. of Shares	Approx. %
<b>Substantial Shareholders</b>				
Hero Global Limited (“ <b>Hero Global</b> ”) (Note 1)	219,801,980	54.95	219,801,980	49.95
Icon Global Holding Limited (“ <b>Icon Global</b> ”) (Note 2)	80,198,020	20.05	80,198,020	18.23
<b>Public Shareholders</b>				
The Placees	–	–	40,000,000	9.09
Other Shareholders	100,000,000	25.00	100,000,000	22.73
Total	<u>400,000,000</u>	<u>100.00</u>	<u>440,000,000</u>	<u>100.00</u>

Notes:

- (1) The entire issued share capital of Hero Global is beneficially owned by Mr. Zhang Junshen (“**Mr. JS Zhang**”), being an executive Director. Mr. JS Zhang is deemed to be interested in 219,801,980 Shares held by Hero Global by virtue of the SFO.
- (2) The entire issued share capital of Icon Global is beneficially owned by Mr. Zhang Junwei (“**Mr. JW Zhang**”, together with Mr. JS Zhang, the “**Zhang Brothers**”), brother of Mr. JS Zhang. Mr. JW Zhang is deemed to be interested in 80,198,020 Shares held by Icon Global by virtue of the SFO.
- (3) The Zhang Brothers are parties acting in concert, as such each of Mr. JS Zhang and Mr. JW Zhang are deemed to be interested in the 219,801,980 Shares and 80,198,020 Shares beneficially owned by Hero Global and Icon Global respectively by virtue of the SFO.

## FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

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

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 2 June 2023
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Ziyuanyuan Holdings Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8223)
“Completion Date”	a date falling within two (2) Business Days the fulfilment of the conditions set out in the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“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 PRC
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Last Trading Day”	12 December 2023, being the date of the Placing Agreement
“Long Stop Date”	29 December 2023, or such later date as may be agreed between the Company and the Placing Agent in writing
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 40,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Partners Capital Securities Limited, a corporation licensed to carry on Type 1 regulated activities (dealing in securities) under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 12 December 2023 in relation to the Placing
“Placing Price”	HK\$1.11 per Placing Share

“Placing Share(s)”	up to 40,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Ziyuanyuan Holdings Group Limited**  
**Zhang Junshen**  
*Chairman and Chief Executive Officer*

Hong Kong, 12 December 2023

*As at the date of this announcement, the executive Directors are Mr. Zhang Junshen (Chairman and Chief Executive Officer) and Mr. Wong Kwok San, the non-executive Director is Mr. Lyu Di, and the independent non-executive Directors are Mr. Chan Chi Fung Leo, Mr. Chow Siu Hang and Dr. Deng Bin.*

*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 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 “Latest Listed Company Information” page on the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and on the website of the Company at [www.ziyygroup.com](http://www.ziyygroup.com).*