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## **Congyu Intelligent Agricultural Holdings Limited**

**從玉智農集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 875)**

### **SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE**

The Board is pleased to announce that on 21 February 2025, the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Company agreed to issue (pursuant to the General Mandate), and the Subscribers agreed to subscribe for, an aggregate of 75,851,407 Subscription Shares at the Subscription Price of HK\$0.560 per Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscribers is an Independent Third Party. The Company will use the net proceeds from the Subscription of approximately HK\$41.8 million for the purposes of the Group's procurement; repayment of other borrowings and other payables; and the general working capital of the Group.

The Subscription is conditional upon the granting of approval for the listing of and permission to deal in the Subscription Shares. Application will be made to the Listing Committee of the Stock Exchange for the same.

**As the Subscription is subject to the satisfaction of the Condition Precedent and may or may not proceed to Completion, Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENTS**

Date: 21 February 2025

Parties:

- (a) the Company; and
- (b) the Subscribers.

There are six Subscribers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, all the Subscribers are independent individual private investors. Based on the information provided by the Subscribers, none of them hold any Shares prior to the entering into of the Subscription Agreements.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscribers is an Independent Third Party. Each of the Subscribers has confirmed to the Company that he/she is not acting in concert with any connected persons of the Company, nor acting in concert with other Subscribers. None of the Subscribers is subscribing 5% or more of the total issued share capital of the Company as enlarged by the Subscription.

### **The Subscription**

Pursuant to the Subscription Agreements, the Company agreed to issue (pursuant to the General Mandate), and the Subscribers agreed to subscribe for, the Subscription Shares at the Subscription Price (payable in full at Completion).

### **The Subscription Shares**

The total number of Subscription Shares is 75,851,407 Shares, which represents 20% of the existing total number of issued Shares and 16.67% of the enlarged total number of issued Shares immediately following the Completion.

The aggregate nominal value of the Subscription Shares is HK\$758,514.07.

### **The Subscription Price**

The Subscription Price of HK\$0.560 per Subscription Share represents:

- (i) a discount of approximately 20% to the closing price of HK\$0.700 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 17.89% to the average of the closing price of approximately HK\$0.682 per Share quoted on the Stock Exchange for the last five (5) trading days immediately prior to the date of the Subscription Agreements.

The aggregate Subscription Price of HK\$42,476,787.92 is payable in cash by the Subscribers on or before Completion.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers taking into account the prevailing market price of the Shares, the Group's historical performance and present financial position as well as current market conditions. The Board (including all independent non-executive Directors) considers that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Ranking**

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects with Shares in issue at the time of allotment and issue of the Subscription Shares.

### **Conditions Precedent**

Completion of the Subscription Agreements is conditional upon:

- (i) the listing of, and permission to deal, in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares);
- (ii) the parties to the Subscription Agreements having obtained all necessary authorizations and permissions in accordance with applicable laws, regulations, rules and their respective articles of association, and such authorizations and permissions not subsequently being withdrawn, revoked or cancelled; and
- (iii) any action, consent or approval required, or filing required to be made, to any governmental authority, regulatory authority (including but not limited to the Stock Exchange) or other third parties in order to complete the transactions contemplated under the Subscription Agreements having been taken, made or completed, and the Company having complied with the requirements under the Listing Rules and other relevant regulatory requirements.

In the event that the above Condition Precedent cannot be fulfilled on or before the Completion Date (or such other date as agreed between the parties in writing), the Subscription Agreements will lapse and become null and void forthwith and the parties thereto shall be released from all obligations thereunder save in respect of any antecedent breach of any obligation under the Subscription Agreements.

### **Completion**

The Completion shall take place within ten (10) Business Days immediately after the date upon which the last of the Conditions Precedent shall have been satisfied or any other date as agreed by the Subscribers and the Company in writing.

### **APPLICATION FOR LISTING**

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Subscription Shares.

## **USE OF PROCEEDS**

The gross proceeds from the issue of the Subscription Shares will amount to HK\$42,476,787.92. The net proceeds from the Subscription after deducting related expenses payable by the Company will amount to approximately HK\$41.8 million and the net price is approximately HK\$0.551 per Subscription Share. The Company intends to use the net proceeds as to (i) HK\$25.0 million for Group's procurement; (ii) HK\$14.0 million for repayment of other borrowings and other payables; and (iii) HK\$2.8 million for the general working capital of the Group.

## **GENERAL MANDATE TO ISSUE SHARES**

The Subscription Shares will be allotted and issued pursuant to the General Mandate and will not be subject to further Shareholders' approval. As at the date of this announcement, the General Mandate has not been utilised. The 75,851,407 Subscription Shares will utilise the General Mandate in its entirety.

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION**

The Group is principally engaged in growing of agricultural produce, trading of agricultural and meat produce, poultry, seafood and prepared food.

The Directors consider that the Subscription will provide additional funding for the Company's business operation, and it shall also strengthen the capital base of the Company. The Directors (including all of the independent non-executive Directors) are of the view that the Subscription is in the interests of the Company and the Shareholders as a whole and the issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since it will provide the Company with immediate funding and the capital base of the Company will be enlarged. The Directors consider that the terms of the Subscription Agreements are fair and reasonable.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT**

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

## **EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this announcement, the Company has issued (i) 379,257,038 Shares; (ii) 3,030,000 Preference Shares, the conversion of which in full will result in the issue of 15,150 Shares (reflecting the adjustment of the conversion ratio to "200 Preference Shares to 1 Share" as a result of share consolidation exercises that took effect on 25 June 2018 and 25 April 2019, respectively); and (iii) 23,284,049 Share Options, the exercise of which in full will result in the issue of 23,284,049 Shares. Save for the aforesaid, the Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no other change to the share capital and shareholding structure of the Company from the date of this announcement up to the Completion Date:

	<b>As at the date of this announcement</b>		<b>Immediately following Completion</b>	
	<i>No. of Shares</i>	<i>Approximate%</i>	<i>No. of Shares</i>	<i>Approximate%</i>
Sino Richest Investment Holdings Limited ( <i>Note</i> )	264,731,087	69.80	264,731,087	58.17
Subscribers	–	–	72,851,407	16.67
Other public Shareholders	<u>114,525,951</u>	<u>30.20</u>	<u>114,525,951</u>	<u>25.16</u>
<b>Total</b>	<u><u>379,257,038</u></u>	<u><u>100.00</u></u>	<u><u>455,108,445</u></u>	<u><u>100.00</u></u>

*Note:* 264,731,087 shares were held by Sino Richest Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Lin Yuhao, an executive Director, chairman of the Board and co-chief executive officer of the Company. Accordingly, Mr. Lin Yuhao is deemed to be interested in the shares of the Company held by Sino Richest Investment Holdings Limited under the Securities and Futures Ordinance.

**As the Subscription is subject to the satisfaction of the Condition Precedent and may or may not proceed to Completion, Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 31 May 2024;
“Board”	the board of Directors of the Company;
“Business Day(s)”	any day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“Company”	Congyu Intelligent Agricultural Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 875);
“Completion”	completion of the Subscription pursuant to the Subscription Agreements;
“Completion Date”	any day within ten (10) Business Days immediately after the date upon which the last of the Condition Precedent shall have been satisfied or any other date as agreed by the Subscribers and the Company in writing;
“Condition Precedent”	the condition precedent in respect of the Completion set out in the Subscription Agreements;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue up to 20% of the total number of Shares in issue as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	an independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange;

“Preference Shares”	the non-voting convertible Class B preference shares of HK\$0.01 each in the share capital of the Company;
“Share(s)”	the ordinary share(s) of HK\$0.01 in the issued share capital of the Company;
“Share Options”	the share option(s) to subscribe for Share(s) under the Share Option Scheme;
“Share Option Scheme”	the share option(s) to subscribe for Share(s) under the Share Option Scheme;
“Shareholder(s)”	Shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	six subscribers subscribing for the Subscription Shares under the Subscription, each of them an Independent Third Party;
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements;
“Subscription Agreement(s)”	the conditional subscription agreements dated 21 February 2025 entered into between the Company and the Subscribers in relation to the Subscription respectively;
“Subscription Price”	HK\$42,476,787.92, being the aggregate subscription price for the Subscription Shares and representing a subscription price of HK\$0.560 per Subscription Share;
“Subscription Shares”	the 75,851,407 new and fully paid Shares to be subscribed for by the Subscribers under the Subscription Agreements; and
“%”	per cent.

By order of the Board  
**Congyu Intelligent Agricultural Holdings Limited**  
**LIN Yuhao**  
*Chairman and Co-Chief Executive Officer*

Hong Kong, 21 February 2025

*As at the date of this announcement, the Board comprises five Directors, including two executive Directors, namely Mr. Lin Yuhao and Ms. Wang Hui, and three independent non-executive Directors, namely Mr. Li Shaohua, Ms. Zhu Rouxiang and Ms. Li Yang.*