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**SINOREF**

**SINOREF HOLDINGS LIMITED**

**華耐控股有限公司**

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

**(Stock Code: 1020)**

## **PROPOSED BONUS ISSUE OF WARRANTS**

### **BONUS WARRANT ISSUE**

The Board proposes the Bonus Warrant Issue to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) existing Shares held on the Record Date. Each Warrant will entitle the holder thereof to subscribe in cash for one Warrant Share at an initial subscription price of HK\$0.30 per Warrant Share, subject to adjustment, any time during the period commencing from the date of issue of the Warrants and ending on the date falling 18 months from the date of issue of the Warrants (both days inclusive).

The Bonus Warrant Issue is conditional upon, among other things, the approval by the Shareholders of issue of the Warrants and the Warrant Shares at the EGM; and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and the Warrant Shares.

### **GENERAL**

A circular containing, among other things, further information on the Bonus Warrant Issue and notice of the EGM will be despatched to the Shareholders as soon as possible.

## **THE PROPOSED BONUS WARRANT ISSUE**

The Board proposes to make the Bonus Warrant Issue to the Qualifying Shareholders of the Company on the Record Date on the basis of one (1) Warrant for every five (5) existing Shares held on the Record Date.

## **Conditions to the Bonus Warrant Issue**

The Bonus Warrant Issue will be conditional upon, among other things, the following conditions:

- (a) the passing by the Shareholders at the EGM of the necessary resolution(s) to approve the issue of the Warrants and the Warrant Shares and the transactions contemplated thereunder; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and the Warrant Shares.

## **Initial subscription price and subscription period**

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for one Warrant Share at an initial subscription price of HK\$0.30 per Warrant Share, subject to customary anti-dilutive adjustments in market transactions of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalisation issues and capital distributions, any time during the period commencing from the date of issue of the Warrants and ending on the date falling 18 months from the date of issue of the Warrants (both days inclusive), which are expected to be from 13 January 2016 to 12 July 2017 (both days inclusive).

The initial subscription price of HK\$0.30 per Warrant Share represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on 18 November 2015, being the date of this announcement;
- (ii) the average closing price of approximately HK\$0.30 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of this announcement.

## **Shares to be issued upon exercise of the Warrants**

Assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, on the basis of 2,569,228,000 Shares in issue as at the date of this announcement, 513,845,600 Warrants would be issued pursuant to the Bonus Warrants Issue. Full exercise of the subscription rights attaching to the 513,845,600 Warrants at the initial subscription price of HK\$0.30 per Warrant Share would result in the issue of 513,845,600 Warrant Shares, representing 20% of the aggregate number of issued shares of the Company as at the date of this announcement, and the receipt by the Company of subscription monies amounting to approximately HK\$154.15 million.

As at the date of this announcement, save for the outstanding Share Options which entitled the holders thereof to subscribe for 120,000,000 Shares, the Company does not have any other equity securities which remain to be issued on exercise of any other subscription rights as described in Rule 15.02(1) of the Listing Rules. Therefore, if the Warrants are immediately exercised in full, such exercise will not exceed 20% of the issued equity capital of the Company at the time such Warrants are issued.

## **Fractional entitlements**

Fractional entitlements to the Warrants, if any, will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

## **Overseas Shareholders**

Enquiries will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the feasibility of extending the Bonus Warrant Issue to the Overseas Shareholders. Upon such enquiry, if the Directors consider that it is necessary or expedient to exclude the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Warrants will not be granted to the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Warrants which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Warrants commences if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances therefore will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

As at the date of this announcement, the Company has no Overseas Shareholder.

## **REASONS FOR THE BONUS WARRANT ISSUE**

In recognition of the continued support of the Shareholders, the Board proposes the Bonus Warrant Issue as a reward to the Shareholders and to allow them to participate in the potential growth of the Company. The Bonus Warrant Issue will also strengthen the capital base of the Company when the subscription rights attaching to the Warrants are exercised. The Board has considered other ways of rewarding the Shareholders such as dividend distribution and bonus share issue. Cash dividend distribution will reduce the cash resources of the Group for its business operation and potential investments. Bonus share issue may not be able to render real benefits to the Shareholders. The Board considered that the Bonus Warrant Issue would provide a valuable option to the Shareholders to participate in the potential growth of the Group without immediate additional cash burden.

The Company intends to use the subscription monies received from the Bonus Warrant Issue for general working capital and business development including but not limited to potential investments to be identified.

## **EQUITY FUND RAISING ACTIVITY OF THE GROUP IN THE PAST 12 MONTHS**

The Company has conducted the following equity fund raising activities for the 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
2 June 2015	Placing of new shares under general mandate	Approximately HK\$109 million	General working capital and/or future investment of the Group as and when opportunities arise	Approximately HK\$2 million was used for general administration expenses and general working capital, and the remaining balance as deposit in bank
16 April 2015	Placing of new shares under general mandate	Approximately HK\$52.28 million	General working capital and/or future investment of the Group as and when opportunities arise	Approximately HK\$30 million was used for debt repayment, approximately HK\$22.28 million was used for general administration expenses and general working capital

## **LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Warrants and the Warrant Shares. The Warrant Shares will rank pari passu in all respects with the then existing issued Shares.

## **CERTIFICATES FOR THE WARRANTS AND THE BOARD LOT**

Subject to the satisfaction of the conditions to the Bonus Warrants Issue, it is expected that certificates for the Warrants will be posted by ordinary post on or before Wednesday, 13 January 2016 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Stock Exchange on Thursday, 14 January 2016.

The Warrants are expected to be traded on the Stock Exchange in board lots of 4,000 Warrants carrying rights to subscribe for 4,000 Shares at the initial subscription price of HK\$0.30 per Warrant Share, subject to adjustment.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 5 January 2016 to Thursday, 7 January 2016 (both days inclusive) in order to establish entitlements of the Shareholders to the Bonus Warrant Issue.

The last day for dealing in Shares cum-entitlements to the Bonus Warrant Issue will be Tuesday, 29 December 2015. In order to qualify for the Bonus Warrant Issue, all outstanding transfer of Shares should be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 4 January 2016.

## **EXPECTED TIMETABLE**

The expected timetable for the Bonus Warrant Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Bonus Warrant Issue will be fulfilled. All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

The expected timetable for implementing the Bonus Warrant Issue is set forth below:

	<i>(Hong Kong time)</i>
Despatch of circular and notice for the EGM	Tuesday, 8 December 2015
Latest time for lodging proxy form for the EGM	11:00 a.m. Saturday, 26 December 2015
EGM	11:00 a.m. Monday, 28 December 2015
Announcement of the result of the EGM	Monday, 28 December 2015
Last day of dealings in the Shares on cum-entitlement to the Bonus Warrant Issue	Tuesday, 29 December 2015
Ex-date (the first day of dealings in the Shares on ex-entitlement to the Bonus Warrant Issue)	Wednesday, 30 December 2015
Latest time for lodging transfers of Shares in order to qualify for the Bonus Warrant Issue	4:30 p.m. Monday, 4 January 2016
Register of members closes (both days inclusive)	From Tuesday, 5 January 2016 to Thursday, 7 January 2016

Record Date	Thursday, 7 January 2016
Despatch of certificates for Warrants	Wednesday, 13 January 2016
Commencement of dealings in the Warrants	9:00 a.m. Thursday, 14 January 2016

## **GENERAL**

A circular containing, among other things, further information on the Bonus Warrant Issue and notice of the EGM will be despatched to the Shareholders as soon as possible. As far as the Directors are aware of, no Director or Shareholder has a material interest in the Bonus Warrant Issue and no Shareholder is required to abstain from voting at the EGM.

## **DEFINITIONS**

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

“Board”	the board of Directors of the Company
“Bonus Warrant Issue”	the proposed bonus issue of Warrants to the Qualifying Shareholder(s) on the basis of one (1) Warrant for every five (5) existing Shares held on the Record Date
“Company”	Sinoref Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Bonus Warrant Issue
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry, are of the view that it would be necessary or expedient to exclude them from the Bonus Warrant Issue on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction

“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	7 January 2016, being the record date for ascertaining the entitlements of Shareholders to the Bonus Warrant Issue
“Share(s)”	ordinary share(s) in the Company of HK\$0.10 each
“Share Options”	The outstanding share options granted under the share option scheme of the Company adopted on 7 June 2010 which entitle the holders thereof to subscribe for 120,000,000 Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	warrant(s) proposed to be issued by the Company to subscribe for Warrant Shares at an initial subscription price of HK\$0.30 per Warrant Share, subject to adjustment, pursuant to the Bonus Warrant Issue
“Warrant Share(s)”	new Share(s) which may fall to be issued upon the exercise of the subscription rights attached to the Warrants
“%”	per cent

By Order of the Board of  
**Sinoref Holdings Limited**  
**Xu Yejun**  
*Chairman*

Hong Kong, 18 November 2015

*As at the date of this announcement, the executive Directors are Mr. Xu Yejun and Mr. Sin Kwok Wai Ronald, the non-executive Directors are Mr. Chow Chi Wa and Ms. Yip Sum Yu and the independent non-executive Directors are Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang.*