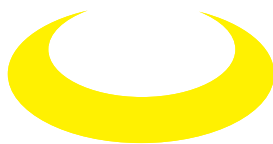


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CHINA CLOUD COPPER COMPANY LIMITED
中國雲銅股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

SUPPLEMENTAL ANNOUNCEMENT
TO
ISSUE OF SHARES UNDER GENERAL MANDATE

Reference is made to the Company's announcement dated 6 November 2019 (the "**1st Announcement**") relating to subscription of 50,000,000 Shares (the "**1st Subscription**") and the Company's announcement dated 26 November 2019 (the "**2nd Announcement**") relating to the subscription of 130,000,000 Shares (the "**2nd Subscription**"). Terms used herein shall have the same meanings as defined in the 2nd Announcement unless otherwise stated.

The Company would like to provide the following additional information relating to the 1st Subscription and 2nd Subscription.

SHAREHOLDING STRUCTURE OF THE COMPANY

Reference is made to the Company's announcement dated 13 November 2019 whereby it was disclosed that Ms Cheung Kwan, the chairlady and executive director, and her controlled corporation no longer hold the 245,000,000 shares of the Company. However Ms Cheung Kwan is considering legal actions against Kingston Securities Limited and therefore there is a dispute as to the legal ownership of the said shares. According to the latest disclosure of interests on the website of the Stock Exchange, Neo Tech Inc., which was wholly owned by Ng Yu, was the holder of 265,980,000 shares of the Company as at 7 November 2019.

INFORMATION ON THE SUBSCRIBERS

To the best of the Company's information and belief:

- (i) The ultimate beneficial owner of Yixin Enterprises Limited, the subscriber to the 2nd Subscription, is 羅曉東 (“**Mr. Luo**”) and the ultimate beneficial owner of Best Smart Asia Corporation, the subscriber to the 1st Subscription, is Xie Haiqing (“**Ms. Xie**”).
- (ii) Mr. Luo was introduced to the Company by Mr Sun Yu, executive director of the Company. Ms. Xie was introduced to the Company by Mr Li Xin, non-executive director of the Company.
- (iii) Mr. Luo is a businessman in China principally engaged in hi-tech investments. Ms. Xie is a businessman in China principally engaged in investments in healthcare, education and art. Both Mr. Luo and Ms. Xie intend to act as passive investor in the Company and will not participate in the management of the Company. Both Mr. Luo and Ms. Xie have no intention to change the business plan or strategy of the Company upon completion of the 1st Subscription and 2nd Subscription.
- (iv) There is no relationship (existing or prior, expressed or implied) among (a) Yixin Enterprises Limited and its ultimate beneficial owner, (b) Best Smart Asia Corporation and its ultimate beneficial owner, and (c) the Company and any connected person of the Company (including Ms Cheung Kwan and Ng Yu).
- (v) There is no arrangement, understanding or undertaking (whether formal or informal and whether express or implied) among (a) Yixin Enterprises Limited and its ultimate beneficial owner, (b) Best Smart Asia Corporation and its ultimate beneficial owner, and (c) the Company and any connected person of the Company (including Ms Cheung Kwan and Ng Yu).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

As disclosed in the annual report for the year ended 31 December 2018 and interim report for the 6 months ended 30 June 2019, the Company incurred losses of approximately HK\$103.3 million and HK\$26.0 million respectively. The operating expenses for the same periods were approximately HK\$86.7 million and HK\$33.5 million respectively. The cash and bank balances as at 31 December 2018 and 30 June 2019 were approximately HK\$22.9 million and HK\$20 million respectively. The operating expenses consisted of mainly rental expenses, salaries, professional fees and other general administrative expenses. Hence the cash and bank balance of the Company is not sufficient for discharging the operating expenses. The Company therefore has been considering various ways to raise funds for meeting the operating expenses and working capital requirement of the Group. The Directors have considered that it would be difficult for the Company to obtain bank loans in view of the Group's continuing net loss and lack of collateral acceptable to banks. The bank loans would incur interest expenses to the Group. Other equity fund raising methods such as rights issue is time consuming and costly. The Company did not discuss with any existing shareholders of the Company for possible shareholder's loans to the Company except Ms. Cheung Kwan. The Company has not received any concrete plan from any shareholder to provide funding to the Company. The 1st Subscription and 2nd Subscription would allow the Group to timely capture market opportunities and to raise additional funds without incurring additional interest expenses. Other than the 1st Subscriber and the 2nd Subscriber, the Company had engaged a placing agent to look for potential places for placing of new shares as announced on 5 November 2019 but the placing was terminated due to insufficient response from investors. Placing to existing shareholders will constitute connected transactions and will be more costly and time consuming to comply with the relevant Listing Rules requirements. Accordingly, the Directors were of the view that the 1st Subscription and 2nd Subscription are the best available fund raising method under the current situation of the Company.

The issue price of HK\$0.12 of the 1st Subscription and the issue price of HK\$0.11 of the 2nd Subscription were determined after arm's length negotiation between the Company and the 1st Subscriber and 2nd Subscriber with reference to historical and recent market prices of the Company's Shares. The closing market prices of the Shares for the past 6 months have demonstrated a steady downward trend from HK\$0.530 on 6 May 2019 to HK\$0.115 on 26 November 2019. There was no sudden or unusual drop in prices for the period. The Company noted that there is a significant discount in the said issue prices to the net asset value of the Shares. The market prices reflected the market evaluation of the value of the Shares from a large number of factors such as macro-economic conditions, future outlook of related business segments, the Company's prospects for growth, earnings power, cashflow position, debt ratios etc., and the net asset value of the Shares is but one of them. After taking into account of the funding needs and prevailing market prices of the Shares, the Company considers that the 1st Subscription and 2nd Subscription including the said issue prices are fair and reasonable and in the interest of the Company and its shareholders as a whole.

The Board currently has no intention to change the business plan or strategy of the Company upon completion of the 1st Subscription and 2nd Subscription.

It was intended that the net proceeds from the 1st Subscription and 2nd Subscription will be used for discharging the operating expenses of the Group such as rental expenses, salaries, professional fees and other general administrative expenses and as general working capital. It is expected that the net proceeds from the 1st Subscription and 2nd Subscription will be fully used within 6 months.

By Order of the Board of
China Cloud Copper Company Limited
Cheung Kwan
Chairlady and Executive Director

Hong Kong, 6 December 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Cheung Kwan, Mr. Li Junheng, Mr. Sun Yu, and Ms. Zhao Hong Mei; two non-executive Directors, Mr. Wang Dayong and Mr. Li Xin and three independent non-executive Directors, namely Mr. Anthony Espina, Ms. Jin Xin, and Mr. Wang Jun Sheng.