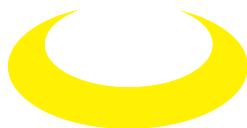


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CHINA CLOUD COPPER COMPANY LIMITED

中國雲銅股份有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 33)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING

The Board is pleased to announce that on 26 February 2020 (after trading hours of the Stock Exchange), 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 181,463,440 Placing Shares, to not less than six Places who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$0.1 per Placing Share.

The Placing Price of HK\$0.1 per Placing Share represents (i) a discount of approximately 13.04% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 7.4% to the average of the closing prices per Share of approximately HK\$0.108 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) approximately 19.35% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.21% 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 approximately HK\$18,146,000 and the net proceeds will be approximately HK\$17,855,000 (after deduction of commission and other expenses of the Placing). The Directors intend to use the net proceeds as to approximately HK\$17,855,000 as working capital of the Group.

Completion of the Placing is subject to the satisfaction of the condition 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 26 February 2020 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing.

The Placing Agreement

Date: 26 February 2020 (after trading hours of the Stock Exchange)

Parties: Issuer: The Company
Placing Agent: Nerico Brothers Limited

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

The Placing Agent will charge the Company a placing commission of 1% 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 the prevailing market rates. 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, on a best effort basis, to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.

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 181,463,440 Shares under the Placing represents (i) 19.35% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.21% 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 Placing Shares under the Placing will be approximately HK\$181,463.

Placing Price

The Placing Price of HK\$0.1 per Placing Share represents:

- (i) a discount of approximately 13.04% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 7.4% to the average of the closing prices per Share of HK\$0.108 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 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.

Condition of the Placing

The Placing is conditional upon the Listing Committee of the Stock Exchange agreeing to grant the approval for the listing of, and permission to deal in, the Placing Shares.

If the above condition is not fulfilled on or before the Long Stop Date, the Placing will be terminated and the Placing will not proceed and all rights, obligations and liabilities of the parties thereto shall cease and terminate and neither of the parties shall have any claim against the others (save for any antecedent breaches thereof).

Completion of the Placing

Completion of the Placing shall take place not later than two Business Days after the fulfilment of the condition as set out in paragraph headed "Condition of the Placing" above (or such later date as may be agreed between the parties).

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 then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 186,543,440 new Shares. Up to the date of this announcement, 5,080,000 Shares have been allotted and issued under the

General Mandate and 181,463,440 Shares remain to be allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Termination

The Placing Agent may terminate the Placing Agreement by notice to the Company given prior to 6:00 p.m. on the Business Day immediately preceding the Completion Date if in the opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 consecutive days (other than in connection with the Placing); or
- (iii) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (iv) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof 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 or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (v) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (vi) a change or development involving a prospective change in taxation in Hong Kong or Cayman Islands which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (vii) any change or deterioration in the conditions of local, national or international securities markets.

If notice is given pursuant to the paragraph above, 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.

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 condition 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 Group is principally engaged in trading of security products and provision of security services, trading of party products and metals and minerals, securities brokerage and assets management, money lending business and credit guarantee and investment business.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$18,146,000, and the net proceeds will be approximately HK\$17,855,000 (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.098 per Placing Share.

Out of the net proceeds, the Directors intend that approximately HK\$17,855,000 will be used as general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

The Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer may also involve relatively substantial time and cost to complete as compared to the equity financing through issue of the new Shares under General Mandate.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

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

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
18 March 2019, 15 July 2019, 17 July 2019 and 22 July 2019	Subscription of new Shares	Approximately HK\$5 million	Working capital of the Group	The proceeds was fully utilised as intended

Save as disclosed in the above, the Company had not conducted any fund raising activity involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

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 (assuming all the Placing Shares are fully placed out and that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) of the Placing are set out below:

Major Shareholder	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Share</i>	<i>Approximately %</i>	<i>Number of Share</i>	<i>Approximately %</i>
Mr. Ng Yu (<i>Note 1</i>)	612,000	0.07%	612,000	0.05%
Neo Tech (<i>Note 2</i>)	265,368,000	28.30%	265,368,000	23.71%
Public Shareholders				
The Placees	—	—	181,463,440	16.21%
Other Public Shareholder	<u>671,817,200</u>	<u>71.63%</u>	<u>671,817,200</u>	<u>60.03%</u>
Total	<u>937,797,200</u>	<u>100.00%</u>	<u>1,119,260,640</u>	<u>100.00%</u>

Notes:

1. Mr. Ng Yu is an executive Director and the chairman of the Board.
2. Neo Tech Inc. is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Ng Yu. Mr. Ng Yu is therefore deemed to be interested in 265,368,000 Shares for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares of the Company.

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 18 June 2019
“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”	China Cloud Copper Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 33)
“Completion Date”	not later than two Business Days after the fulfilment of the condition set out in the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent)
“Director(s)”	the director(s) of the Company
“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
“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 Listing Rules
“Last Trading Day”	26 February 2020, being the last trading day of the Shares on the Stock Exchange immediately before the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	18 March 2020 (or such other date as the Placing Agent and the Company shall agree 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 181,463,440 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Nerico Brothers Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 26 February 2020 in relation to the Placing
“Placing Price”	HK\$0.1 per Placing Share
“Placing Share(s)”	up to 181,463,440 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, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Cloud Copper Company Limited
Ng Yu
Chairman and Executive Director

Hong Kong, 26 February 2020

As at the date of this announcement, our executive directors of the Company are Mr. Ng Yu, Mr. Wei Weicheng, Ms. Zhao Hong Mei, Mr. Huang Shao Long and Mr. Lin Feng and our independent non-executive directors of the Company are Mr. Anthony Espina and Mr. Wang Jun Sheng.