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**CCTI FORTIS HOLDINGS LIMITED**  
**( 中 建 富 通 集 團 有 限 公 司 )**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 00138)**

**PLACING OF CONVERTIBLE BONDS  
UNDER GENERAL MANDATE**

**Placing Agent**

**SUNWAH KINGSWAY**  
**新華滙富**

**Kingsway Financial Services Group Limited**

**PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

On 28 July 2023 (after trading hours), the Company entered into the CB Placing Agreement with the Placing Agent, pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, not less than six (6) Placees, who will be Independent Third Parties, to subscribe in cash for the Convertible Bonds in the aggregate principal amount of HK\$57,900,000 at the issue price of 100% of the principal amount of the Convertible Bonds.

Assuming full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$0.193 per Conversion Share, a maximum of 300,000,000 new Shares will be allotted and issued by the Company, representing (i) approximately 18.70% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 15.75% of the total number of issued Shares as enlarged by the issue of 300,000,000 Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the net proceeds from the CB Placing will be approximately HK\$56,600,000, which will be used by the Company for general working capital of the Group.

## **GENERAL**

The CB Placing is not subject to the Shareholders' approval as the Conversion Shares falling to be issued upon conversion of the Convertible Bonds will be issued under the General Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

**Shareholders and potential investors of the Company should note that the CB Placing is subject to the fulfilment of the conditions precedent under the CB Placing Agreement. As the CB Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

On 28 July 2023 (after trading hours), the Company entered into the CB Placing Agreement with the Placing Agent, pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, not less than six (6) Placees, who will be Independent Third Parties, to subscribe in cash for the Convertible Bonds in the aggregate principal amount of HK\$57,900,000 at the issue price of 100% of the principal amount of the Convertible Bonds.

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

Date : 28 July 2023

Parties : (i) the Company, CCT Fortis Holdings Limited, as issuer; and  
(ii) the Placing Agent, Kingsway Financial Services Group Limited, as the placing agent

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

## **CB Placing commission**

In consideration of the services of the Placing Agent in connection with the CB Placing, the Company shall pay the Placing Agent a placing commission of 2% of the aggregate principal amount of the Convertible Bonds to be issued under the CB Placing Agreement. The placing commission is arrived at after arm's length negotiations between the Company and the Placing Agent.

## **CB Placing**

Pursuant to the CB Placing Agreement, the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, not less than six (6) Placees, who will be Independent Third Parties, to subscribe in cash for the Convertible Bonds in the aggregate principal amount of HK\$57,900,000 at the issue price of 100% of the principal amount of the Convertible Bonds.

Notwithstanding the above, pursuant to the CB Placing Agreement, the Placing Agent may elect to subscribe for the Convertible Bonds in part or in whole in the aggregate principal amount of HK\$57,900,000 in accordance with the terms of the CB Placing Agreement.

## **Conditions of the CB Placing**

The CB 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 Conversion Shares;
- (ii) the Stock Exchange having approved the issue of the Convertible Bonds, or the Company not having received any objection from the Stock Exchange to the issue of the Convertible Bonds; and
- (iii) none of the representations, warranties or undertakings given by the Company under the CB Placing Agreement being or having become untrue, inaccurate or misleading in any respect at any time before the CB Placing Agreement becoming unconditional and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any respect if it was repeated as at the time of Completion.

The Company shall use its best endeavours to procure the fulfilment of the conditions precedent set out in paragraph (i), (ii) and (iii) above as soon as practicable and in any event on or before the Long Stop Date (or such later date as may be agreed between the parties to the CB Placing Agreement in writing). The Placing Agent may, at its absolute discretion, waive the fulfillment of the conditions precedent set out in paragraph (iii) by notice in writing to the Company.

In the event that the conditions precedent of the CB Placing Agreement are not fulfilled or waived (as the case may be) or become incapable of being fulfilled on or before the Long Stop Date, all rights, obligations and liabilities of the parties to the CB Placing Agreement shall cease and terminate and neither of the parties shall have any claim against the other save for any antecedent breach of any right or obligation under CB Placing Agreement prior to such termination.

### **Completion**

Completion of the CB Placing shall take place within three (3) Business Days after the fulfilment (or waiver, if applicable) of the above conditions precedent (or on such later date as the Company and the Placing Agent may agree in writing).

### **Termination**

The Placing Agent shall be entitled by giving a written notice to the Company prior to Completion to forthwith terminate the CB Placing Agreement in the event of any national or international, political, military, diplomatic, monetary, economic or financial crisis or situation or any change in national or international, military, diplomatic, monetary, economic, political, financial or market conditions which, in the opinion of the Placing Agent arrived at in good faith, renders the CB Placing temporarily or permanently impracticable or inadvisable, or any event or omission occurs or comes to the Placing Agent's notice which, in the opinion of the Placing Agent arrived at in good faith, will or may be materially prejudicial to the Company or the CB Placing.

If notice is given pursuant to the above, the CB Placing Agreement shall terminate and neither party shall have any claim against each other for compensation, costs, damages or otherwise, save for any antecedent breach under the CB Placing Agreement prior to such termination, provided that the indemnity provisions as set out in the CB Placing Agreement remain in full force and effect and the Company shall forthwith pay to the Placing Agent its respective portion of the fees, commission and expenses as set out in the CB Placing Agreement.

Furthermore, in the event the Placing Agent has not secured subscribers for the entire amount of the Convertible Bonds by the date of Completion (or such later date as the Company shall agree), the CB Placing Agreement shall terminate and neither party shall have any claim against each other save for any antecedent breach under the CB Placing Agreement prior to such termination.

## **Principal terms of the Convertible Bonds**

The principal terms of the Convertible Bonds are as follows:

<b>Issuer:</b>	The Company
<b>Issue price:</b>	100% of the principal amount
<b>Principal amount:</b>	HK\$57,900,000
<b>Interest rate:</b>	4.5% per annum payable semi-annually (i) on the date falling six (6) months from the issue date of the Convertible Bonds; and (ii) on the Maturity Date
<b>Conversion price:</b>	<p>The Conversion Price per Conversion Share shall be HK\$0.193, which</p> <ul style="list-style-type: none"><li>(a) is equivalent to the closing price of HK\$0.193 per Share as quoted on the Stock Exchange on the date of the CB Placing Agreement; and</li><li>(b) represents a premium of approximately 4.89% over the average closing price of HK\$0.184 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the CB Placing Agreement.</li></ul> <p>The Conversion Price is subject to adjustments as hereafter described.</p>
<b>Adjustment events:</b>	The Conversion Price will be adjusted upon the occurrence of the following events:

**(a) Consolidation, sub-division or re-classification of the Shares**

If and whenever the Shares by reason of any consolidation, sub-division or re-classification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation, sub-division or re-classification becomes effective.

**(b) Capitalisation of profits or reserves**

If and whenever the Company shall issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) **Capital distribution**

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by (i) an independent financial adviser which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO; or (ii) the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them, such other firm of accountants of international repute as may be nominated by the Company (the “**Independent Adviser**”), of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the Independent Adviser is not required.

Provided that (aa) if in the opinion of the Independent Adviser, the use of the fair market value as aforesaid produces a result which is significantly inequitable, the Independent Adviser may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

**(d) *Issue of Shares for subscription by way of rights***

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per Share; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder(s) of the Convertible Bonds (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the conversion rights under the Convertible Bonds registered in their bondholder holds of the Convertible Bonds out of the total principal amount of the Convertible Bonds outstanding at the time of the proposed redemption.

**(e) (aa) Issue of convertible or exchangeable securities**

If and whenever the Company shall issue wholly for cash or for reduction of liabilities or for acquisition of asset any securities convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective on the date of the issue.

***(bb) Modification of rights of convertible or exchangeable securities***

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such modification;

B = the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of the Conversion Price provided that corresponding adjustment has already been made to the Conversion Price in respect of such an event.

For the purposes of this paragraph (e), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities or the aggregate consideration deemed to be paid for such securities on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

***(f) Issue of Shares being made wholly for cash or for reduction of liabilities at a price less than 90% of the market price per Share***

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any Shares at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

***(g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this paragraph (g) below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:***

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

For the purpose of this paragraph (g) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “total Effective Consideration per Share” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

**Conversion Shares:**

Based on the principal amount of the Convertible Bonds of HK\$57,900,000, the Convertible Bonds are convertible into 300,000,000 Conversion Shares at the initial Conversion Price of HK\$0.193 per Conversion Share (subject to adjustments).

**Conversion period:**

The conversion period (the “**Conversion Period**”) of the Convertible Bonds shall be the period commencing from the issue date of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the Maturity Date.

**Conversion rights and restrictions:**

The holder(s) of the Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares (i) on the Maturity Date; or (ii) at any time during the Conversion Period provided that the holder(s) of the Convertible Bonds has obtained the prior written approval of the Company, and provided further that (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$500,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$500,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted; and (ii) the exercise of the conversion rights attached to the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the Listing Rules.

**Early redemption at the option of the Company:**

The Company shall be entitled at its sole discretion, by giving not less than seven (7) days' notice to the holder(s) of the Convertible Bonds, propose to the holder(s) to redeem the outstanding Convertible Bonds (in multiples of HK\$500,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds at any time after the date of issue of the Convertible Bonds up to and including the date falling seven (7) days immediately before the maturity date of the Convertible Bonds.

**Ranking:**

The Conversion Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the relevant conversion date including the right to all dividends or other distributions, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the relevant conversion date.

**Maturity date:**

The date falling on the first (1st) anniversary of the issue date of the Convertible Bonds, and if that is not a Business Day, the first Business Day thereafter.

**Voting rights:** The holder(s) of the Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.

**Transferability:** Subject to compliance with the Listing Rules and prior written consent of the Company, the Convertible Bonds may be transferred or assigned in whole or in part in integral multiples of HK\$500,000 by the holder(s) of the Convertible Bonds to any party, including a connected person of the Company.

**Security:** The obligations of the Company under the Convertible Bonds are unsecured.

Assuming full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$0.193 per Conversion Share, a maximum of 300,000,000 new Shares will be allotted and issued by the Company, representing (i) approximately 18.70% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 15.75% of the total number of issued Shares as enlarged by the issue of 300,000,000 Conversion Shares (assuming there is no other change in the total number of issued Shares of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The maximum aggregate nominal value of the Conversion Shares is HK\$30,000,000.

## **GENERAL MANDATE TO ISSUE AND ALLOT THE CONVERSION SHARES**

At the annual general meeting of the Company held on 30 June 2023, a resolution of the Shareholders was passed to grant to the Directors the General Mandate to allot, issue and otherwise deal with new Shares not exceeding 20% of the number of Shares in issue as at the date of passing such resolution. The Company is authorised to allot and issue a maximum of 320,872,290 Shares under the General Mandate and the total number of Shares in issue as at 30 June 2023, being the date of the annual general meeting of the Company, was 1,604,361,452.

As at the date of this announcement, the General Mandate has yet been utilised. Accordingly, the CB Placing Agreement and the transactions contemplated therein including the issue and allotment of Conversion Shares under the General Mandate are not subject to Shareholders' approval.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon full conversion of the outstanding principal amount of the 2025 Convertible Bonds being HK\$103,000,000 (the “**2025 Remaining CB**”) at the initial conversion price of HK\$0.16 (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the 2025 Remaining CB); and (iii) immediately upon full conversion of the Convertible Bonds at the initial Conversion Price and the 2025 Remaining CB (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the full conversion of the Convertible Bonds and the 2025 Remaining CB) is as follows:

	(i) As at the date of this announcement		(ii) Immediately upon full conversion of the 2025 Remaining CB		(iii) Immediately upon full conversion of the Convertible Bonds and the 2025 Remaining CB	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Placees	-	-	-	-	300,000,000 <i>(Note 1)</i>	11.77
Mr. Mak Shiu Tong, Clement (“ <b>Mr. Mak</b> ”) <i>(Note 2)</i>	25,589,652	1.59	25,589,652	1.14	25,589,652	1.00
Capital Winner Investments Limited (“ <b>Capital Winner</b> ”) <i>(Note 3)</i>	468,423,672	29.20	468,423,672	20.83	468,423,672	18.38
New Capital Industrial Limited (“ <b>New Capital</b> ”) <i>(Note 3)</i>	452,607,615	28.21	452,607,615	20.13	452,607,615	17.77
Capital Force International Limited (“ <b>Capital Force</b> ”) <i>(Note 3)</i>	256,243,792	15.97	256,243,792	11.40	256,243,792	10.06
Treasure Goal International Limited (“ <b>Treasure Goal</b> ”) <i>(Note 4)</i>	-	-	643,750,000 <i>(Note 5)</i>	28.64	643,750,000	25.26
Other public Shareholders	<u>401,496,721</u>	<u>25.03</u>	<u>401,496,721</u>	<u>17.86</u>	<u>401,496,721</u>	<u>15.76</u>
<b>Total</b>	<b><u>1,604,361,452</u></b>	<b><u>100</u></b>	<b><u>2,248,111,452</u></b>	<b><u>100</u></b>	<b><u>2,548,111,452</u></b>	<b><u>100</u></b>

*Notes:*

1. Under the terms and conditions of the Convertible Bonds, the exercise of the conversion rights attached to the Convertible Bonds shall not cause the Company to be unable to meet the public float requirements under the Listing Rules.
2. Mr. Mak is the chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company.
3. Capital Winner, New Capital and Capital Force are private corporations owned as to 51% by Mr. Mak and as to 49% by Mr. Mak Chun Kiu, a son of Mr. Mak, beneficially. Mr. Mak and Mr. Mak Chun Kiu are deemed to be interested in the Shares held by Capital Winner, New Capital and Capital Force under the SFO.
4. Treasure Goal is a company incorporated in the British Virgin Islands with limited liability, the shares in which are beneficially and ultimately owned by Mr. Mak.
5. The interests disclosed represents 643,750,000 underlying Shares at the initial conversion price of HK\$0.16 per Conversion Share (subject to adjustments pursuant to the terms and conditions of the 2025 Convertible Bonds) which were held by Treasure Goal. Under the terms and conditions of the 2025 Convertible Bonds, the exercise of the conversion rights attached to the 2025 Convertible Bonds shall not cause the Company to be unable to meet the public float requirements under the Listing Rules.

## **EQUITY FUND RAISING DURING THE PAST TWELVE MONTHS**

<b>Date of announcement/ circular</b>	<b>Fund raising activities</b>	<b>Net proceeds</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds as of 31 December 2022</b>
16 November 2022 and 19 December 2022	Issue of the 2025 Convertible Bonds	No net proceeds were received by the Company	Not applicable	Not applicable

Save as disclosed above and as at the date of this announcement, the Company has not conducted any equity fund raising activity in the past twelve months.

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

The Company is an investment holding company. As at the date of this announcement, the Group is principally engaged in (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business; (iv) investment in collectible precision devices; and (v) cultural entertainment business.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the net proceeds from the CB Placing will be approximately HK\$56,600,000, which will be used by the Company for general working capital of the Group and therefore providing more flexibility to the Company in its future cash management.

As the prevailing base rate set by Hong Kong Monetary Authority and the prime rate set by Hongkong and Shanghai Banking Corporation, one of three note issuing banks in Hong Kong, roared to 5.75% and 5.875% respectively in this era of interest hikes, the Company considers that the financing cost of issue of the Convertible Bonds, which is 4.5% per annum, is favorable to the Company.

Furthermore, the Company will be released from the repayment obligation at maturity if the Convertible Bonds are fully converted into Convertible Shares on or prior to the Maturity Date. It would strengthen the capital base and reduce the liability of the Company, increase the net asset value of the Company and thereby improve the gearing and financial position of the Company, assuming there are no other factors affecting the financial position of the Company.

Having considered the benefits to the issue of the Convertible Bonds, the Directors consider that the terms and conditions of the CB Placing Agreement and the issue of the Convertible Bonds are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## GENERAL

**Shareholders and potential investors of the Company should note that the CB Placing is subject to the fulfilment of the conditions precedent under the CB Placing Agreement. As the CB Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“2025 Convertible Bonds”	the 4.5% coupon convertible bonds due on 31 December 2025 in the initial aggregate principal amount of HK\$220,000,000 and the outstanding principal amount of which amounted to HK\$103,000,000 as at the date of this announcement issued by the Company to Treasure Goal International Limited, a company incorporated in the British Virgin Islands with limited liability, which is beneficially and ultimately owned by Mr. Mak, the chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a public holiday or a day on which a tropical cyclone warning signal no.8 or above or a “black” rainstorm warning signal is hoisted by Hong Kong Observatory at any time between 9:00 a.m. and 5:00 p.m.)
“CB Placing”	the placing of the Convertible Bonds pursuant to the terms and conditions of the CB Placing Agreement under the General Mandate
“CB Placing Agreement”	the conditional placing agreement dated 28 July 2023 and entered into between the Company as issuer and the Placing Agent as placing agent in relation to the CB Placing

“Company”	CCT Fortis Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 138)
“Completion”	completion of the CB Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the conversion price per Conversion Share (subject to adjustments) of the Convertible Bonds and being HK\$0.193 per Conversion Share initially
“Conversion Share(s)”	the Shares to be issued and allotted upon conversion of the Convertible Bonds
“Convertible Bonds”	the 4.5% coupon convertible bonds due on the date falling on the first (1st) anniversary of the issue date of the Convertible Bonds in the principal amount of HK\$57,900,000 to be issued by the Company to the Placees and/or the Placing Agent in accordance with the terms of the CB Placing Agreement
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2023 to allot, issue or deal with up to 320,872,290 Shares, representing 20% of the total number of Shares in issue as at 30 June 2023 (i.e. the date of the annual general meeting of the Company), being 1,604,361,452 Shares
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Third Party(ies)”	third party(ies) independent of, not connected (as defined under the Listing Rules) and not acting in concert (as defined under The Code on Takeovers and Mergers) with (i) the Company or any of its subsidiaries; (ii) a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, (iii) a person who was a director of the Company or any of its subsidiaries in the last 12 months; or (iv) an associate of any of those set out in (i), (ii) and (iii)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	11 August 2023 (or such later date as may be agreed between the Company and the Placing Agent in writing), the date falling 14 days after the date of the CB Placing Agreement
“Maturity Date”	the date falling on the first (1st) anniversary of the issue date of the Convertible Bonds and if that is not a Business Day, the first Business Day thereafter, being the maturity date of the Convertible Bonds
“Placee(s)”	any professional, institutional and/or other investor(s) to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured to subscribe for the Convertible Bonds pursuant to the CB Placing Agreement
“Placing Agent”	Kingsway Financial Services Group Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities for the purposes of the SFO
“PRC”	the People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.10 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  
**CCT FORTIS HOLDINGS LIMITED**  
**Mak Shiu Tong, Clement**  
*Chairman*

Hong Kong, 28 July 2023

*As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement and Ms. Cheng Yuk Ching, Flora and the independent non-executive Directors are Mr. Chen Li, Mr. Chow Siu Ngor and Mr. Lau Ho Kit, Ivan.*