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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your shares in Ceneric (Holdings) Limited (the “**Company**”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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CENERIC (HOLDINGS) LIMITED

新嶺域 (集團) 有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 542)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agents

 **KINGSTON SECURITIES**



VMS Securities Limited

A notice convening the extraordinary general meeting of the Company (the “**EGM**”) to be held at the Conference Room, 16/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 16 December 2015 at 11:30 a.m. is set out on pages 17 to 18 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

27 November 2015

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 15 September 2015 in relation to the Placing
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bond(s)”	the First Tranche Bond and the Second Tranche Bond, in an aggregate principal amount of HK\$325,000,000
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong
“Company”	Ceneric (Holdings) 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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“EGM”	an extraordinary general meeting of the Company to be convened and held at the Conference Room, 16/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 16 December 2015 at 11:30 a.m. for the purpose of considering and approving the Placing Agreement and the transactions contemplated thereunder
“First Tranche Bond”	the 3.5% unsecured and non-convertible bonds in the principal amount of HK\$150,000,000 with maturity date falling four years from the date of initial issue on 14 April 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Kingston”	Kingston Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activity under the SFO

DEFINITIONS

“Latest Practicable Date”	24 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), corporate, institutional or other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agents, on a best effort basis, pursuant to the terms and conditions of the Placing Agreement
“Placing Agents”	Kingston and VMS, and each a “Placing Agent”
“Placing Agreement”	a conditional placing agreement dated 15 September 2015 (as supplemented by a supplemental letter dated 24 November 2015) entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	up to 3,750,000,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“PRC”	the People’s Republic of China and for the purpose of this circular, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Second Tranche Bond”	the 3.5% unsecured and non-convertible bonds in the principal amount of HK\$175,000,000 with maturity date falling four years from the date of initial issue on 21 May 2014
“SFC”	Securities and Future Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Specific Mandate”	a specific mandate to be granted by the Shareholders to the Board at the EGM for the issuance and allotment of the Placing Shares pursuant to the Placing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“VMS”	VMS Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“%”	per cent

CENERIC (HOLDINGS) LIMITED
新嶺域(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 542)

Executive Directors:

Mr. CHENG Wai Lam, James (*Chief Executive Officer*)
Mr. CHI Chi Hung, Kenneth
Mr. MA Erqiang
Mr. WONG Kui Shing, Danny

Non-Executive Directors:

Mr. HUANG Zhenda
Mr. YEUNG Kwok Leung

Independent Non-Executive Directors:

Ms. CHAN Hoi Ling
Ms. SO Wai Lam
Mr. SUNG Yat Chun

Registered office:

The Offices of Sterling Trust
(Cayman) Limited
Caledonian House
69 Dr. Roy's Drive
P.O. Box 1043, George Town
Grand Cayman KY1-1102
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

7/F., Guangdong Finance Building
88 Connaught Road West
Sheung Wan
Hong Kong

27 November 2015

To the Shareholders

Dear Sir or Madam,

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement whereby the Board announced, inter alia, that on 15 September 2015, the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agents, on a best effort basis, up to 3,750,000,000 new Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at the Placing Price of HK\$0.10 per Placing Share. The Placing is subject to the Shareholders' approval at the EGM. The EGM will be convened at which a resolution will be proposed to seek the approval of the Shareholders for the grant of the Specific Mandate to cover the allotment and issue of the Placing Shares pursuant to the Placing Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information regarding, among other things, the Placing and the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Placing Agreement and the transactions contemplated thereunder.

THE PLACING AGREEMENT

Date

15 September 2015 (as supplemented on 24 November 2015)

Issuer

The Company

Placing Agents

- (a) Kingston Securities Limited; and
- (b) VMS Securities Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons.

Placing Shares

The Placing Agents have conditionally agreed with the Company to place, on a best effort basis, to not fewer than six Placees up to 3,750,000,000 new Shares. Kingston and VMS have conditionally agreed to place up to 1,875,000,000 Placing Shares and 1,875,000,000 Placing Shares respectively, on a best effort basis, to the Placees. It is not expected that any Placing Agents or any Placees will become a substantial shareholder of the Company holding 10% or more of the voting rights as a result of the Placing.

Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and completion of the Placing, the maximum number of 3,750,000,000 Placing Shares represent (i) approximately 194.14% of the existing issued share capital of the Company, and (ii) approximately 66.00% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The aggregate nominal value of the maximum number of the Placing Shares will be HK\$37,500,000.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank, *pari passu* in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

LETTER FROM THE BOARD

Placee(s)

The Placing Agents have conditionally agreed with the Company to place, on a best effort basis, to not fewer than six independent individuals, corporate and/or institutional placees, who and whose ultimate beneficial owner(s) will be independent third parties. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after completion of the Placing. If any of the Placees becomes a substantial shareholder of the Company after the completion of the Placing, further announcement(s) will be made by the Company as and when appropriate. To the best of the knowledge of the Directors, upon reasonable enquiry being made, it is expected that each of the Placees will be a third party independent of and not connected with the Company and its connected persons. As at the Latest Practicable Date, the Placing Agents are identifying the Placees.

Placing Price

The Placing Price of HK\$0.10 represents:

- (i) a discount of approximately 42.86% to the closing price of HK\$0.175 per Share as quoted on the Stock Exchange on 15 September 2015, being the date of the Placing Agreement;
- (ii) a discount of approximately 42.20% to the average closing price of HK\$0.173 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement;
- (iii) a discount of approximately 41.52% to the average closing price of HK\$0.171 per Share as quoted on the Stock Exchange for the last ten trading days prior to the date of the Placing Agreement; and
- (iv) a discount of approximately 43.82% to the closing price of HK\$0.178 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The determination of the Placing Price and Placing Shares was a commercial decision made between the Company and the Placing Agents after arm's length negotiation based on the following:

- (i) the recent market prices of the Shares;
- (ii) the trading volume of the Shares;
- (iii) the deteriorating recent financial results;
- (iv) the substantial market risk exposure; and
- (v) the recent market conditions.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents with reference to, among other matters the prevailing market prices of the Shares, the profit warning announcement issued by the Company on 24 August 2015, the

LETTER FROM THE BOARD

prevailing market trend after making comparison with the discount of the placing price of recent placings under specific mandate. The Board has made reference to (i) the fluctuation of the market prices of the Shares in the past 12 months before the date of the Placing Agreement with the closing prices of the Shares ranging from HK\$0.139 per Share to HK\$0.410 per Share; and (ii) the placing of new shares under specific mandate announced by other companies listed on the Stock Exchange for a period of 3 calendar months immediately prior to the date of the Placing Agreement. The Board has identified an exhaustive list of 15 placings during the period of 3 calendar months immediately prior to the date of the Placing Agreement (the “**Placing Comparables**”) and noted that the placing price was set with discount of ranged from approximately 11.39% to 84.86% to the average closing price for the last five trading days prior to the respective date of the placing agreement; and discount of ranged from approximately 5.41% to 82.14% to the closing price as at the last trading day of the respective relevant announcement relating to placing of shares under specific mandate. The Board considered that the Placing Comparables in such 3 calendar months (instead of the past 12 months before the date of the Placing Agreement) could better reflect the then recent trend of discounts to market price of the relevant shares. Also, taking into account the recent volatility of the market price of the Shares, the Board considered that making reference to the fluctuation of the market prices of the Shares in the past 12 months before the date of the Placing Agreement and the Placing Comparables during the 3 calendar months before the date of the Placing Agreement is fair and reasonable.

The market sentiment has been worsening since 18 June 2015, being the date of the previous placing agreement (the “**First Placing Agreement**”) which was subsequently terminated with reasons described below. There has been significant drop in the trading price of the Shares, from the closing price of HK\$0.41 on 18 June 2015 to the closing price of HK\$0.175 on 15 September 2015, being the date of the Placing Agreement. Price decreased by approximately 57.32%. The average daily trading volume of the Shares has been remaining thin since the date of the First Placing Agreement which follows the historical trend of low liquidity.

The Directors reviewed the recent trading volume of the Shares and took into account the size of the Placing Shares. It shows a relative thin trading volume of the Shares as compared to the relatively significant number of the Placing Shares. Also, the number of Placing Shares represents about 1.9 times of the existing issued share capital of the Company.

According to the interim report for the six months ended 30 June 2015, its latest published financial information, the Group recorded a loss of HK\$18.3 million whereas it recorded a loss of HK\$3.8 million in the corresponding period ended in 2014.

The Directors also noted that completion of the Placing requires certain period of time which exposed the parties involved to substantial market risk as it is subject to Shareholders’ approval.

On 24 August 2015, the Company published a profit warning announcement that it expected that its results for the six months ended 30 June 2015 might show a loss. On 31 August 2015, the Company announced that the First Placing Agreement was terminated due to the recent market conditions. On 31 August 2015, being the termination date of the First

LETTER FROM THE BOARD

Placing Agreement, the price of the Shares closed at HK\$0.197 which represented a decrease of approximately 51.95% comparing to the closing price of HK\$0.41 on 18 June 2015, being the date of the First Placing Agreement. The decreased trading price made it unable to attract any investor to invest in the Company in the previous placing in June 2015. Accordingly, the First Placing Agreement was terminated.

Taking into consideration that (i) the funding need of approximately HK\$343.0 million as stated in the paragraph headed “Reasons for the Placing and Use of Proceeds” below; (ii) the Placing Price is within the range of discount of the Placing Comparables; (iii) the dilution impact of the Placing to the current shareholding of the Company; (iv) although the Placing has an inherent dilutive nature, it is subject to the Shareholders’ approval at the EGM; (v) the trading price of the Shares on 7 September 2015 closed at HK\$0.155 per Share, which represents a premium of only 3.33% premium over the previous placing price of HK\$0.15 per Share proposed to be issued under the original structure of the Placing; (vi) it is not uncommon for listed issuers in Hong Kong to set the placing price at a discount to the closing prices in order to increase attractiveness of the placing; and (vii) given the recent volatility in the Hong Kong stock market and the downward trading price trend of the Shares in the two months before the signing of the Placing Agreement, a relatively deep discount is appropriate in order to maintain attractiveness of the Placing, the Directors are of the view that the proposed discount of the Placing Price to the market price of the Shares and the number of the Placing Shares are appropriate. As such, the Placing Price is set at a marketable level of HK\$0.10, adjusting downward by approximately 33.33% to HK\$0.10 from HK\$0.15 as compared with the First Placing Agreement. The Directors consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Placing commissions

The Placing Agents will receive a placing commission of 2.5% on the aggregate Placing Price of the number of Placing Shares actually placed by the Placing Agents in the Placing. The placing commission was determined after arm’s length negotiation between the Company and the Placing Agents with reference to the market rate and after taking into account the size of the Placing and the time allowed for the Placing Agents to procure the prospective Placees.

Specific Mandate to issue the Placing Shares

The Placing Shares will be issued under the Specific Mandate to be approved and granted by the Shareholders at the EGM.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

LETTER FROM THE BOARD

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement;
- (b) the listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
- (c) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing);
- (d) the approval by the Shareholders at the EGM of the Placing Agreement and the allotment and issue of the Placing Shares in accordance with the terms and conditions of the Placing Agreement; and
- (e) the Placing Agreement not being rescinded by the Placing Agents pursuant to the terms of the Placing Agreement.

All the above conditions cannot be waived. As at the Latest Practicable Date, none of the above conditions has been fulfilled. In the event that the conditions to the Placing are not fulfilled on or before 15 January 2016 (or such later date as may be agreed between the Company and the Placing Agents), the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing.

Rescission

The Placing Agreement may be rescinded by the Placing Agents at any time prior to the completion of the Placing:

- (a) if there has come to the notice of the Placing Agents:
 - (i) that any statement contained in the Announcement was, when it was issued, or has become, untrue, incorrect or misleading in any respect; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Announcement, constitute an omission therefrom; or

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- (iii) any breach of the undertakings, warranties and representations set out in the Placing Agreement; or
 - (iv) any material breach of any of the obligations imposed upon any party to the Placing Agreement (other than the Placing Agents); or
 - (v) any of the undertakings, warranties and representations set out in the Placing Agreement would be untrue or inaccurate or misleading in any respect if given at that time; or
 - (vi) any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (b) if there develops, occurs, or comes into effect:
- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments 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, fiscal, regulatory 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, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agents would prejudice the success of the Placing; or
 - (ii) 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 and which, in the sole and absolute opinion of the Placing Agents, would prejudice the success of the Placing; or
 - (iii) any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agents would prejudice the success of the Placing; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC and if in the sole and absolute opinion of the Placing Agents any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would, in the sole and absolute opinion of the Placing Agents, prejudice the success of the Placing; or

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- (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agents would materially prejudice the success of the Placing.

The Board is not aware of the occurrence of any of the aforesaid events as at the Latest Practicable Date.

Completion of the Placing

Completion of the Placing is expected to take place on the fourth Business Day after the fulfillment of the conditions set out in the Placing Agreement (or such other time or date as the Company and the Placing Agents may agree in writing).

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is principally engaged in properties development and hotel business investment in the PRC. As disclosed in the announcement of the Company dated 12 May 2015, the Company intended to extend the scope of its existing principal activities to include the provision of a wide range of financial services by carrying out a series of regulated activities under the SFO, so as to diversify its business scope with a view to broadening the Group's revenue base and achieving better return of the Shareholders. The Company intends to carry out its financial services business with focus in provision of asset management services, corporate finance advisory services, securities and futures brokerage services. As at the Latest Practicable Date, the SFC has granted the relevant licences for conducting Types 4, 6 and 9 regulated activities to two subsidiaries of the Company; and certain subsidiaries of the Company are in the process of applying for the relevant licences/registration for Types 1, 2 and 5 regulated activities with the SFC. As at the Latest Practicable Date, the Group has commenced its business in conducting Types 4, 6 and 9 regulated activities. Having considered the estimated minimum required liquid and paid-up capital for those financial services with an aggregate sum of approximately HK\$5.7 million according to the SFC's licence application requirements and the estimated initial operating working capital for such business, it is estimated that the total planned capital requirement for the financial services business of the Group would be approximately HK\$7.65 million. As there is no other concrete plan relating to new investments, no estimated funding plan relating to new investments was set.

LETTER FROM THE BOARD

As mentioned in the announcement of the Company dated 5 May 2015, the Company was in the course of preliminary consideration of a possible disposal of asset and a few potential new investments. Save for the financial services business as set out above, the Group is exploring the hospitality and travel-related investment opportunities with investment sum not more than HK\$500 million. As at the Latest Practicable Date, no disposal of assets was considered and no concrete corporate action relating to possible new investment was concluded. Save for aforesaid, the Company has not considered, discussed or contemplated any other corporate action as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has (i) outstanding Bonds in the principal amount of HK\$325.0 million bearing interest at an interest rate of 3.5% per annum, comprising the First Tranche Bond of HK\$150 million with maturity date on 14 April 2018 and the Second Tranche Bond of HK\$175 million with maturity date on 21 May 2018; and (ii) outstanding loans of approximately HK\$120.5 million, which mainly comprises (1) two loans due to a financial institution consisting of (a) a loan approximately HK\$18.4 million at interest rate of 0.495% per month due on 30 November 2015 and (b) a loan approximately HK\$98.1 million at interest rate of 8.16% per annum (20% on top of base interest rate) due on 4 May 2017, respectively, and (2) a loan from an independent third party for approximately HK\$4 million at interest rate of 5% per annum due on 10 June 2016. As at the Latest Practicable Date, the aggregate interest payable in respect of the Bonds amounted to approximately HK\$17.8 million. The Bonds may be repaid by the issuer of the Bonds in whole or in part at any time without premium or penalty, whereas early repayment of the loans is subject to additional charges or penalty interest approximately equivalent to one month interest of the amount early repaid.

Upon completion of the Placing, the shareholding interest of the existing Shareholders will have dilution of approximately 66.0% and the shareholding interest of Star Advance International Limited will be diluted from approximately 28.99% to approximately 9.86%; and the shareholding interest of the public Shareholders will be diluted from approximately 71.01% to approximately 24.14%. Notwithstanding that the Placing may have a substantial dilution effect on the existing shareholdings, the Directors believe that the benefits arising from the support of the Placing as mentioned in this paragraph headed “Reasons for the Placing and Use of Proceeds” for the overall development of the Group will increase the value of the Shares in the long run.

On the assumption that the maximum of 3,750,000,000 Placing Shares are successfully placed, the maximum gross proceeds from the Placing will be HK\$375.0 million, the maximum net proceeds from the Placing is expected to be approximately HK\$364.4 million and the net price per Placing Share is expected to be approximately HK\$0.097 per Share. The Company intends to use the net proceeds from the Placing as to approximately HK\$343.0 million for repayment of the Bonds in the principal amount of HK\$325.0 million and interest thereon; and the remaining approximately HK\$21.4 million for general working capital of the Group, including the payments of salaries, rental expenses, other administrative and operating expenses. Upon repayment of the Bonds in the principal amount of HK\$325.0 million and interest thereon, the Directors estimate that there will be a saving of interest payable under the Bonds up to their maturities of approximately HK\$27.7 million and the total liabilities of the Group will be reduced by approximately HK\$343.0 million. Upon repayment of Bonds and the

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associated interests, it is estimated that the balance of proceeds from the Placing would be able to meet the funding need of the Group for the next 12 months from the Latest Practicable Date. Save for the ordinary operating working capital use of the Group (including the fund use for the financial services business), the Company at present has no other expected funding needs for the next 12 months from the Latest Practicable Date.

As at 30 June 2015, the Group's total cash and cash equivalents amounted to approximately HK\$76.8 million, out of which (i) cash of approximately HK\$44.8 million held under the Group's joint venture companies in Zhongshan, the PRC; (ii) cash of approximately HK\$2.9 million held by a subsidiary in the PRC; and (iii) the remaining amount held under the subsidiaries in Hong Kong. As any material use of the cash owned by the Group's joint venture companies shall also be approved by the joint venture partner(s), the Group would not be able to apply the cash and cash equivalents in Zhongshan unilaterally and for repayment of the bond interest and it is intended that the Group's cash and cash equivalent in Hong Kong will be used as general working capital of the Group in Hong Kong. In view of the above and the relatively low transaction costs of the Placing, the Board considers that the Placing would be appropriate to strengthen the financial position of the Group and in the interest of the Company and its shareholders.

The Board has considered alternative fund raising activities, including but not limited to debt finance, rights issue or open offer. As regards debt financing, having considered that it would increase the gearing level of the Group and the interest expenses incurred which would impose additional financial burden to the Group's future cash flows, the Board considers that such fund raising method is currently not the most appropriate method to the Group. As regards the viability of a rights issue or an open offer, the Directors had approached several underwriters and they did not indicate interest in hard underwriting the Shares in light of the market conditions. The Board is of the view that it would be difficult to identify underwriter(s) which is/are interested to underwrite a rights issue or open offer of the Company in light of its current financial position with relatively high debts to equity position. The Directors consider that even if such an independent underwriter is identified, the rights issue or open offer would involve issuance of prospectus and other administrative steps and the process would be relatively time consuming as compared to the Placing. The Directors are of the view that the terms agreed by the Placing Agent were favourable and viable, which met the Company's needs and expectations.

In view of the current market, the Directors consider that the Placing represents a good opportunity for the Company to raise additional capital to enhance its capital base and broaden its shareholders' base. Considering the uncertainties in the financial market, the Directors are of the view that it is reasonable for the Company to enhance the capital base by the Placing with a view of creating more buffers for the Company to mitigate the business and financial risk and to enhance the financial flexibility of the Company. Completion of the Placing would result in an increase in the issued share capital by the amount of the new capital from the Places, and hence enhance the Company's capital base and broaden its shareholders' base. The Company intends to lower its overall liabilities and strengthen the financial position of the Group in order to facilitate future development of the Group. The Placing will allow the Group to strengthen its capital base with an improved gearing ratio to a relatively manageable level. With a larger capital base and improved gearing ratio, the Directors believe that the Group will

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be in a stronger financial position and provided with greater flexibility to undertake its various business ventures. The Placing, if completed, would improve the financial position of the Group as the Placing will lead to (i) an increase of the net assets of the Group; and (ii) a decrease of the gearing ratio of the Group. For illustration purposes only the Placing, if completed, will increase the net assets of the Group by approximately HK\$364.4 million, being the estimated maximum net proceeds from the Placing, to approximately HK\$975.9 million (assuming there is no other change of the net assets of the Group from 30 June 2015 to the Completion of the Placing). In addition, the gearing ratio of the Group, calculated on the basis of the Group's net borrowings (the total borrowings minus total cash and cash equivalents and restricted cash) over the total equity of the Group, will also decrease substantially from approximately 53.93% as at 30 June 2015 to approximately 5.21% upon the completion of Placing after adjusting for the completion of the Placing and repayment of the Bonds and related interest of approximately HK\$343.0 million (assuming there is no other change to the factors affecting gearing ratio of the Group from 30 June 2015 to the Completion of the Placing). The Placing will replenish the capital of the Company timely and facilitate the long term development and expansion of its business. Despite of the dilution impact as mentioned above, having considered the saving of interest payable under the Bonds up to their maturities of approximately HK\$27.7 million; the positive impact on the Group's liquidity and financial resources after receipt of the proceeds from the Placing and the Placing would enable the Company to raise a relatively significant amount of capital under the current economic environment and market conditions, the Directors are of the view that the Placing can strengthen the financial position of the Group and provide working capital to the Group to repay its outstanding debts and meet any future development and obligations. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

CAPITAL RAISING ACTIVITIES IN THE PAST 12 MONTHS

As disclosed in the announcement and the circular of the Company dated 18 June 2015 and 15 July 2015 respectively, the Company had entered into the First Placing Agreement with the Placing Agents in relation to the placing of 2,500,000,000 new Shares at the placing price of HK\$0.15 per placing share for repayment of the Bonds and working capital of the Group. The maximum number of the 2,500,000,000 placing shares represent (i) approximately 129.42% of the then issued share capital of the Company as at the date of the First Placing Agreement, and (ii) approximately 56.41% of the issued share capital of the Company as enlarged by the issue of the 2,500,000,000 placing Shares. As disclosed in the announcement of the Company dated 31 August 2015, in view of the then market conditions, the Placing Agents and the Company entered into a termination agreement to terminate the First Placing Agreement and the placing did not proceed.

Save as disclosed above, the Company has not conducted any capital raising activities during the 12 months immediately preceding the Latest Practicable Date.

Save for the change in the placing price and the number of the placing shares under the Placing, there is no other material change in the terms of the Placing Agreement as compared to the First Placing Agreement.

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EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE PLACING

Assuming there will not be any change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Placing, set out below is the table of the shareholdings in the Company (i) as at the Latest Practicable Date; and (ii) upon completion of Placing:

Shareholders	As at the Latest Practicable Date		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Star Advance International Limited (Note 1)	560,000,000	28.99	560,000,000	9.86
Places	—	—	3,750,000,000	66.00
Public Shareholders	<u>1,371,638,040</u>	<u>71.01</u>	<u>1,371,638,040</u>	<u>24.14</u>
Total	<u><u>1,931,638,040</u></u>	<u><u>100.00</u></u>	<u><u>5,681,638,040</u></u>	<u><u>100.00</u></u>

Notes:

1. The entire issued shares of Star Advance International Limited are owned by Mr. Fong Shing Kwong.
2. The percentages are subject to rounding difference, if any.

EGM

The transactions contemplated under the Placing Agreement, including the issue of the Placing Shares, are subject to the approval by the Shareholders at the EGM.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Placing Agreement and the proposed grant of Specific Mandate.

A notice convening the EGM to be held at the Conference Room, 16/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 16 December 2015 at 11:30 a.m. is set out on pages 17 and 18 of this circular.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution regarding the Placing at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the

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form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish. Voting on the proposed resolution at the EGM will be taken by poll.

RECOMMENDATION

The Directors are of the opinion that the Placing Agreement and transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

Yours faithfully,
For and on behalf of the Board
Ceneric (Holdings) Limited
CHENG Wai Lam, James
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

CENERIC (HOLDINGS) LIMITED
新嶺域(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 542)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Ceneric (Holdings) Limited (the “**Company**”) will be held at the Conference Room, 16/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 16 December 2015 at 11:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the placing agreement dated 15 September 2015 (as supplemented by a supplemental letter dated 24 November 2015) entered into between the Company as issuer and Kingston Securities Limited and VMS Securities Limited as placing agents in relation to the placing of up to 3,750,000,000 new shares of the Company (the “**Placing Shares**”) in the share capital of the Company at a placing price of HK\$0.10 per Placing Share (the “**Placing Agreement**”) on a best effort basis (a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares and fulfillment of conditions set out in the Placing Agreement, the issue and allotment of the Placing Shares, pursuant to and subject to the terms and conditions of the Placing Agreement, be and are hereby approved; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the directors of the Company (the “**Directors**”) be and are hereby authorised to exercise all the powers of the Company and take all steps as might in the opinion of the Directors be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Placing Agreement and in relation to the issue and allotment of the Placing Shares, including, without limitation to, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements.”

By order of the Board
Ceneric (Holdings) Limited
CHENG Wai Lam, James
Executive Director

Hong Kong, 27 November 2015

Registered office:

The Offices of Sterling Trust (Cayman) Limited
Caledonian House
69 Dr. Roy’s Drive
P.O. Box 1043, George Town
Grand Cayman KY1-1102
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

7/F., Guangdong Finance Building
88 Connaught Road West
Sheung Wan
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order for such appointment to be valid, the form of proxy, and, if required, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority must be deposited at the Company’s Share Registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.