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CBK Holdings Limited

國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



東方滙財證券有限公司
ORIENT SECURITIES LIMITED

THE PLACING

On 5 January 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company proposes to offer for subscription and the Placing Agent has agreed, as agent of the Company, to procure not less than six Placees on a best effort basis to subscribe for up to 240,000,000 Placing Shares at a price of HK\$0.029 per Placing Share during the Placing Period.

Up to 240,000,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the Placing, assuming no further change in the issued Shares prior to the Completion. The aggregate nominal value of the Placing Shares under the Placing will be HK\$2,400,000.

The Placing Price of HK\$0.029 represents (i) a discount of approximately 17.14% to the closing price of HK\$0.035 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 7.64% to the average closing price of HK\$0.0314 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate. Application will be made by the Company to the Listing Committee for the granting of the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$7.0 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$6.8 million which will be used for the general working capital of the Group.

Completion is conditional upon the satisfaction or fulfilment of the Conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE PLACING

On 5 January 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company proposes to offer for subscription and the Placing Agent has agreed, as agent of the Company, to procure not less than six Placees on a best effort basis to subscribe for up to 240,000,000 Placing Shares at a price of HK\$0.029 per Placing Share during the Placing Period.

Date: 5 January 2021 (after trading hours)

Parties: (i) the Company, as issuer; and
(ii) Orient Securities Limited, as the Placing Agent.
(each a “**Party**”, and collectively, the “**Parties**”)

In consideration of the services of the Placing Agent in relation to the Placing, at Completion, the Company shall pay to the Placing Agent a placing commission equivalent to 3% of the amount equivalent to the Placing Price multiplied by the number of Placing Shares placed in the Placing. The placing commission in respect of the Placing was negotiated on arm’s length basis between the Company and the Placing Agent under normal commercial terms and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares. The Directors are of the view that the placing commission of 3% is fair and reasonable.

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

Placees

The Placing Shares will be placed to not less than six Placees. The Placee(s) shall be any professional, institutional or other investor procured by or on behalf of the Placing Agent who and whose ultimate beneficial owner(s) are Independent Third Parties.

Number of Placing Shares

Up to 240,000,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the Placing, assuming no further change in the issued Shares prior to the Completion. The aggregate nominal value of the Placing Shares under the Placing will be HK\$2,400,000.

Issuance of Placing Shares

The Company shall issue and allot the Placing Shares by utilising the General Mandate free and clear from all liens, charges, encumbrances, claims, options and third party rights and with all rights attaching thereto as at the Completion Date, including the right to receive all future dividends and other distributions thereafter declared, made or paid on the Shares. The Placing Shares, when issued and fully paid, will rank pari passu in all respects with the existing Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.029 represents (i) a discount of approximately 17.14% to the closing price of HK\$0.035 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 7.64% to the average closing price of HK\$0.0314 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net placing price under the Placing is approximately HK\$0.028 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price and the recent trading performance of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is conditional upon the following conditions (the “**Conditions**”) being fulfilled by the Long Stop Date:

- (i) the passing of requisite resolutions by the Board for approval of the Placing and the transactions contemplated thereunder;
- (ii) the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares;
- (iii) the issued Shares remain listed on the GEM; and
- (iv) the Placing Agreement not having been terminated in accordance with its terms.

None of the Conditions can be waived. The Company shall use its best endeavours to procure the fulfillment of the Conditions as soon as practicable after the execution of the Placing Agreement and in any event, by the Long Stop Date. In case any of the Conditions is not, or cannot be, fulfilled or satisfied by the Long Stop Date (or such later date as the Parties may agree in writing), the Placing Agreement shall terminate and all rights, obligations and liabilities of the respective Parties shall cease and determine forthwith and the Placing Agent shall be released and discharged from the Placing Agreement and no Party shall have any claim against the other Party for or in relation to the Placing save for any antecedent breach of and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

General Mandate

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 240,000,000 Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate since its grant. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to Shareholders' approval. The General Mandate will be utilised as to approximately 100% upon the allotment and issue of all the Placing Shares.

Application for listing

Application will be made by the Company to the Listing Committee for the granting of the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing

Subject to the fulfilment of the Conditions, Completion of the Placing Agreement shall take place on the Completion Date.

Termination

The Placing Agent shall be entitled by notice in writing to the Company given prior to 8:00 a.m. on the Completion Date to terminate the Placing Agreement if any Specified Event comes to the notice of the Placing Agent.

If notice is given pursuant to the above paragraph, the Placing Agreement shall terminate and shall have no further effect and neither Party shall be under any liability to the other Party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of food catering services through a chain of hotpot specialty restaurants in Hong Kong.

The maximum gross proceeds from the Placing will be approximately HK\$7.0 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$6.8 million which will be used for the general working capital of the Group.

The Directors are of the view that (i) the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent; (ii) net proceeds of the Placing can strengthen the financial position of the Group and provide additional working capital to the Group; and (iii) the Placing also represents good opportunities to broaden the shareholder base and the capital base of the Company. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon Completion are set out below for illustration purposes:

Shareholders	As at the date of this announcement		Immediately upon Completion (assuming the Placing Shares are fully placed)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Sure Wonder Investments Limited	393,206,400	32.77	393,206,400	27.31
Subscribers	—	—	240,000,000	16.67
Other public Shareholders	<u>806,793,600</u>	<u>67.23</u>	<u>806,793,600</u>	<u>56.02</u>
Total	<u><u>1,200,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,440,000,000</u></u>	<u><u>100.00</u></u>

Completion is conditional upon the satisfaction or fulfilment of the Conditions in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any 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”	CBK Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Completion”	the completion of the Placing
“Completion Date”	the fifth Business Day of the Long Stop Date (or such later date as may be agreed between the Parties)
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 25 September 2020 to allot, issue or otherwise deal with up to 20% of the total number of the issued Shares then existing, i.e. a total of 240,000,000 Shares. No new Shares have been issued or allotted under the General Mandate since its grant
“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 People’s Republic of China

“Independent Third Party(ies)”	any person or company who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries are third parties independent of and not connected with the Company and its connected persons
“Listing Committee”	the listing committee of (and appointed by) the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Long Stop Date”	the date on which all Conditions shall be satisfied or fulfilled, which shall be 26 January 2021 or such later date as the Parties may agree in writing
“Placee(s)”	any professional, institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of 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 of the Placing Shares by the Placing Agent on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Orient Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 5 January 2021 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing forthwith upon the execution of the Placing Agreement and expiring on 26 January 2021 or such later date as the Parties may agree in writing (both days inclusive)
“Placing Price”	HK\$0.029 per Placing Share
“Placing Shares”	up to 240,000,000 new Shares to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Specified Event”	an event occurring or matter arising on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations of each of the Parties contained in the Placing Agreement untrue or incorrect and such would have an adverse impact or effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For and on behalf of
CBK Holdings Limited
CHOW Yik
Chairman and Executive Director

Hong Kong, 5 January 2021

As at the date of this announcement, the chairman and an executive director of the Company is Mr. CHOW Yik, the executive directors of the Company are Mr. CHAN Lap Ping and Mr. TSUI Wing Tak and the independent non-executive directors of the Company are Mr. CHAN Hoi Kuen Matthew, Mr. CHUNG Wing Yin, Mr. LAW Yui Lun and Mr. LU Jun Bo.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.cbk.com.hk.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.