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天譽置業(控股)有限公司
SKYFAME REALTY (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 00059)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Sole Bookrunner



Co-Managers



THE PLACING AGREEMENT

On 18 June 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents pursuant to which the Company has conditionally agreed to place, through the Placing Agents on a best efforts basis, up to 490,000,000 Placing Shares at the Placing Price of HK\$0.877 per Placing Share to currently expected to be not less than six Placees who are professional, institutional, or other investors that are third parties independent of the Company and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of Placing, a maximum of 490,000,000 Placing Shares under the Placing represents approximately 6.17% of the issued share capital of the Company as at the date of this announcement, and approximately 5.81% of the issued share capital as enlarged by the issue of the Placing Shares.

The Placing Price of HK\$0.877 per Placing Share represents (i) a discount of approximately 8.65% to the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 9.96% to the average closing price of approximately HK\$0.974 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

GENERAL MANDATE TO ISSUE THE NEW SHARES

The Placing Shares will be allotted and issued under the General Mandate, pursuant to which the Board is authorised to allot, issue and deal with up to 1,589,188,814 Shares. As at the date of this announcement, the Company had not utilised the General Mandate and the maximum of 490,000,000 Placing Shares under the Placing represents approximately 30.83% of the entire General Mandate. The allotment and issue of the Placing Shares is not subject to any Shareholders' approval.

USE OF PROCEEDS

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$429.73 million and approximately HK\$427.30 million, respectively.

The Company intends that approximately 90% of the net proceeds of the Placing (approximately HK\$384.57 million) will be used for the repayment of loans and approximately 10% of which (approximately HK\$42.73 million) will be applied as general working capital.

Given that the completion of the Placing may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

18 June 2021 (after trading hours)

Parties

Issuer: The Company

Placing Agents: CCB International Capital Limited
Venture Smart Asia Limited
Fenghua Securities Limited
Seazen Resources Securities Limited
Guolian Securities International Capital Co., Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agents and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Placing

The Placing Agents have conditionally agreed to place, or procure the placing of, up to 490,000,000 Placing Shares at the Placing Price of HK\$0.877 per Placing Share on a best effort basis.

Placees

The Placing Agents will place the Placing Shares to professional, institutional, or other investors that are third parties independent of the Company and its connected persons. It is currently expected that the Placing Shares will be placed to not less than six Placees.

It is expected that none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of Placing, the maximum number of 490,000,000 Placing Shares under the Placing represents approximately 6.17% of the issued share capital of the Company as at the date of this announcement, and approximately 5.81% of the issued share capital as enlarged by the issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$1.63 million.

Placing Price

The Placing Price is HK\$0.877 per Placing Share, which represents:

- (a) a discount of approximately 8.65% to the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 9.96% to the average closing price of approximately HK\$0.974 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agents and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate pursuant to which the Board is authorised to allot, issue and deal with up to 1,589,188,814 Shares. As at the date of this announcement, the Company had not utilised the General Mandate and the maximum of 490,000,000 Placing Shares under the Placing represents approximately 30.83% of the entire General Mandate.

Accordingly, the allotment and issue of the Placing Shares is not subject to any Shareholders' approval.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Application for listing

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

Conditions precedent

Completion of the Placing is conditional upon, among others, the fulfilment or waiver (in respect of items (ii) to (v) below only) of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (either unconditionally or subject to conditions to which neither the Company nor the Placing Agents shall reasonably object) and such listing and permission not subsequently being revoked;
- (ii) the delivery of a copy of the Board resolution to approve the Placing Agreement and the transactions contemplated thereunder in a form and substance satisfactory to the Placing Agents;
- (iii) 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 conditions or obligations with respect to the Placing (other than such orders or decisions as would not have material adverse effect on the legal ability of the Company to proceed with the Placing);
- (iv) no circumstances of the Group which has material adverse effect on the liquidity and solvency position of any member of the Group and is required to be publicly disclosed under any laws and regulations; and
- (v) the Placing Agents not having terminated the Placing Agreement.

If any of the above conditions is not fulfilled or waived (as the case may be) on or prior to 8:00 a.m. (Hong Kong time) on the Closing Date or such later time as may be agreed between the Company and the Placing Agents, the Placing will not proceed and the obligations and liabilities of the Placing Agents and the Company under the Placing shall be null and void and neither party will have any claim against each other for costs, damages, compensation or otherwise.

Completion

Completion of the Placing will take place on the Business Day after the date on which the conditions are fulfilled or waived (as the case may be), and in any event no later than 28 June 2021 or such other date as the Company and the Placing Agents may agree in writing (the “**Closing Date**”).

Termination of the Placing Agreement

At any time prior to 8:00 a.m. (Hong Kong time) of the Closing Date, the Placing Agents may terminate the Placing Agreement without liability by notice in writing to the Company if any of the following events occur:

- (i) any of the following events occurs, which in the sole and absolute opinion of the Placing Agents is or is likely to have material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed with the Placing:
 - (a) any new law or regulation or any change or development in existing laws or regulations or the interpretation or application thereof by any court or other competent authority;
 - (b) any event beyond the reasonable control of the Placing Agents (including force majeure events) involving Hong Kong, the People’s Republic of China, the United Kingdom, the European Union or the United States, or the declaration by any of them of war or a state of emergency or calamity or crisis;
 - (c) any change or development in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions;
 - (d) any change or development (whether or not permanent) involving a prospective change in local, national or international securities market conditions or currency exchange rates or exchange controls; or
 - (e) any litigation or claim being instigated against any member of the Group; or
- (ii) any suspension of dealings in the Shares from the date of the Placing Agreement to 8:00 a.m. (Hong Kong time) on the Closing Date (other than as a result of the Placing);
- (iii) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

- (iv) any executive Director being charged with an indictable offence or prohibited by applicable laws or otherwise disqualified from taking part in the management of the Company;
- (v) any downgrading or proposed downgrading in the rating accorded to the debt securities of the Company or any of its subsidiaries by any internationally recognised rating agency, and no such agency has publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the debt securities of the Company or any of its subsidiaries;
- (vi) (a) the Company having made any announcement on the Stock Exchange or otherwise concerning the Company's re-financing or repayment of any of its existing debts or any change or proposed change of the rating accorded to any such securities of the Company or any of its subsidiaries by any internationally recognised rating agency, (b) any announcement by such rating agency of intention to implement any change or proposed change of rating of securities of the Company or any of its subsidiaries, or (c) any news report, media report, or any other similar information available in public domain in relation to the foregoing, which in the sole and absolute opinion of the Placing Agents is or is likely to have material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed with the Placing;
- (vii) (a) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agents which, in the opinion of the Placing Agents, would have or would be likely to have a material adverse effect on the Group or the transactions contemplated by the Placing Agreement; or (b) any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would render any of such representations, warranties and undertaking untrue or incorrect; or (c) there has been a breach of, or failure to perform, any other provision of the Placing Agreement in any material respect on the part of the Company; or
- (viii) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group as a whole (other than those already disclosed to the public by way of formal announcements published on the Stock Exchange's website) which in the sole and absolute opinion of the Placing Agents is or is likely to affect the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed with the Placing.

The Placing Agents may terminate the Placing Agreement at any time by notice in writing to the Company if any of the Placing Shares is not delivered by or on behalf of the Company in accordance with the Placing Agreement upon completion.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in property development, property investment, property management and operations in youth community projects completed by the Group in the PRC.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$429.73 million and approximately HK\$427.30 million respectively. The net placing price per Placing Share will be approximately HK\$0.872.

The Company intends that approximately 90% of the net proceeds of the Placing (approximately HK\$384.57 million) will be used for the repayment of loans and approximately 10% of which (approximately HK\$42.73 million) will be applied as general working capital. The Directors are of the view that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable, and the Placing will strengthen the Group's financial position, widen the Company's Shareholder base and is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not undertaken any equity fund raising exercise in the 12 months immediately prior to the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON THE COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the completion of the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

	(i) As at date of this announcement		(ii) Immediately upon the completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of total Shares in issue</i>
Mr. YU Pan (“ Mr. YU ”) (<i>Note</i>)	5,763,869,721	72.54	5,763,869,721	68.33
The Placees	–	–	490,000,000	5.81
Other public shareholders	<u>2,182,074,353</u>	<u>27.46</u>	<u>2,182,074,353</u>	<u>25.86</u>
Total	<u><u>7,945,944,074</u></u>	<u><u>100.00</u></u>	<u><u>8,435,944,074</u></u>	<u><u>100.00</u></u>

Note: These 5,763,869,721 shares include: (a) 748,036,500 Shares owned by Mr. YU as the beneficial owner; and (b) 5,015,833,221 Shares directly held by Cosmos Tianyu Holdings Limited, which was held as to 100% by Sharp Bright International Limited, which was in turn held as to 100% by Mr. YU. Mr. YU was therefore deemed to be also interested in 5,015,833,221 Shares held by Cosmos Tianyu Holdings Limited by virtue of the SFO.

Given that completion of the Placing may or may not take place, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 8 June 2021
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
“Company”	Skyfame Realty (Holdings) Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agents or their agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 490,000,000 Placing Shares pursuant to the terms of the Placing Agreement

“Placing Agents”	CCB International Capital Limited, Venture Smart Asia Limited, Fenghua Securities Limited, Seazen Resources Securities Limited and Guolian Securities International Capital Co., Limited, each acting as a placing agent for the Placing under the Placing Agreement and a third party independent of and not connected with the Company and its connected persons
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agents dated 18 June 2021 in relation to the Placing
“Placing Price”	HK\$0.877 per Placing Share
“Placing Shares”	up to 490,000,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of par value of one third Hong Kong cent each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Skyfame Realty (Holdings) Limited
YU Pan
Chairman

Hong Kong, 20 June 2021

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. YU Pan (Chairman), Mr. WEN Xiaobing, Mr. WANG Chenghua and Mr. JIN Zhifeng; one non-executive Director, namely Mr. WONG Lok; and three independent non-executive Directors, namely Mr. CHOY Shu Kwan, Mr. CHENG Wing Keung, Raymond and Ms. CHUNG Lai Fong.