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Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8510)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company



建泉融資有限公司

VBG Capital Limited

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 21 September 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 230,400,000 new Shares at the Subscription Price of HK\$0.056 per Subscription Share. Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed “**Conditions of the Subscription**” of this announcement.

The Subscription Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares will be HK\$2,304,000.

The Subscription Shares will be issued and allotted pursuant to the General Mandate.

The Subscription Price of HK\$0.056 per Subscription Share represents (i) a discount of approximately 18.84% to the closing price of HK\$0.069 per Share as quoted on the Stock Exchange on 21 September 2021, being the last full trading day immediately before the execution of the Subscription Agreement; and (ii) a discount of approximately 16.42% to the average closing price of approximately HK\$0.067 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription are expected to be approximately HK\$12.90 million. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$12.60 million. The Company intends to apply the net proceeds from the Subscription as general working capital of the Group.

Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions under the Subscription Agreement as set out in the section headed “Conditions of the Subscription”. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that, on 21 September 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 230,400,000 new Shares at the Subscription Price of HK\$0.056 per Subscription Share. Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed “**Conditions of the Subscription**” of this announcement. Principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date: 21 September 2021

Parties: (1) the Company as issuer; and
(2) the Subscriber

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its controlling shareholder(s) (as defined under the GEM Listing Rules) are Independent Third Parties. Immediately before entering into of the Subscription Agreement, neither the Subscriber nor its controlling shareholder(s) has any interests in the Share.

Subscription Shares

The Subscription Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares will be HK\$2,304,000.

Subscription Price

The Subscription Price of HK\$0.056 per Subscription Share represents:

- a discount of approximately 18.84% to the closing price of HK\$0.069 per Share as quoted on the Stock Exchange on 21 September 2021, being the last full trading day immediately before the execution of the Subscription Agreement; and
- a discount of approximately 16.42% to the average closing price of HK\$0.067 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription is expected to be HK\$12.90 million. After deducting related professional fees and all related expenses of approximately HK\$0.3 million to be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$12.60 million, representing a net subscription price of approximately HK\$0.055 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of the allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (1) the Listing Committee of the Stock Exchange having granted the listing of, and permission to dealing, the Subscription Shares and such approval has not been revoked prior to Completion;

- (2) the necessary consents and approvals in relation to the proposed issue of the Subscription Shares pursuant to the General Mandate, the Subscription Agreement and the transactions contemplated thereunder from the relevant stock exchanges, other administrative, governmental or regulatory authorities in accordance and compliance with the GEM Listing Rules or any applicable laws, regulations and any other rules of the government or regulatory bodies having been obtained; and
- (3) there not having come to the attention of the Subscriber at any time prior to Completion (i) any breach of, or any event rendering untrue, incorrect or misleading in any respect, any of the representations, warranties or undertakings made by the Company referred to in the Subscription Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company as required to be performed at or before Completion of the subscription.

The Subscriber may waive any of the above conditions precedent in (2) and (3) by giving notice in writing to the Company. If the above conditions precedent are not fulfilled or waived (as the case may be) by 30 September 2021 (or such other date as the parties may agree in writing), all rights, obligations and liabilities of the parties shall cease and terminate and none of the parties to the Subscription Agreement shall have any claim against any other in respect of the Subscription, save for any antecedent breaches thereof.

Completion

Completion of the Subscription will take place within fifteen (15) days after the approval of listing (or such other date as may be agreed between the Company and the Subscriber in writing).

GENERAL MANDATE

The Subscription Shares will be issued and allotted pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM and is not subject to the approval of the Shareholders. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 230,400,000 Shares, representing 20% of the issued capital of the Company as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. As such, the issue of the Subscription Shares under the Subscription is not subject to the approval by the Shareholders. The General Mandate will be fully utilized upon issue and allotment of all the Subscription Shares.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

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

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,152,000,000 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion:

	Shareholding as at the date of this announcement		Shareholding immediately upon completion of the Subscription	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
JSS Group Corporation	461,888,000	40.09	461,888,000	33.41
Focus Dynamics Group Berhad	192,000,000	16.67	192,000,000	13.89
Subscriber	–	–	230,400,000	16.67
Public Shareholders				
Other public Shareholders	498,112,000	43.24	498,112,000	36.03
Total	<u>1,152,000,000</u>	<u>100.00</u>	<u>1,382,400,000</u>	<u>100.00</u>

Note:

- (i) Mr. Chuk Stanley, the chairman and an executive Director, directly owned 100.00% equity interests in JSS Group Corporation. As such, Mr. Chuk Stanley was deemed to be interested in all the shares held by JSS Group Corporation pursuant to Part XV of the SFO.

INFORMATION ON THE GROUP

The Group is principally engaged in the in the operation of full-service restaurants in Hong Kong.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. The Subscriber is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$12.60 million. The proceeds are currently intended as general working capital of the Group.

The Directors consider that the Subscription represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position and providing working capital to the Group to improve the Group's cash flow status and relieve liabilities burden.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

The equity fund raising activities carried out by the Company during the past twelve months immediately preceding the date of this announcement is as follows:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Use of proceeds
13 October 2020, and 10 November 2020	Subscription of 192,000,000 new Shares under general mandate	HK\$14.5 million	General working capital	Utilized as intended

GENERAL

Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions under the Subscription Agreement as set out in the section headed “Conditions of the Subscription”. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the GEM Listing Rules;
“AGM”	the annual general meeting of the Company convened on 23 June 2021;
“Board”	the board of Directors;
“Business Day(s)”	any day on which the Stock Exchange is open for trading business to deal in securities;
“Company”	Top Standard Corporation, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8510);

“Completion”	completion of the Subscription;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	director(s) of the Company;
“GEM”	GEM operated by 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 (the “AGM”) of the Company on 23 June 2021 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) 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 Group, its connected persons and their respective associates and not acting in concert with any substantial shareholder (as defined under the GEM Listing Rules) of the Company within the meaning of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;
“Listing Committee”	The Listing Committee of the Stock Exchange;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Axis Motion Limited;

“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 21 September 2021 entered into between the Company and the Subscriber in relation to the Subscription;
“Subscription Price”	HK\$0.056 per Subscription Share;
“Subscription Shares”	an aggregate of 230,400,000 Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board of
Top Standard Corporation
Chuk Stanley
Chairman and Executive Director

Hong Kong, 21 September 2021

As at the date of this announcement, the executive Directors are Mr. Chuk Stanley and Mr. Ying Kan Man, and the independent non-executive Directors are Mr. Wong Ching Wan, Mr. Tang Chiu Ming, Jeremy and Mr. Yip Ki Chi, Luke.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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 GEM website of The Stock Exchange of Hong Kong Limited at <http://www.hkgem.com> and The Stock Exchange of Hong Kong Limited’s website at www.hkexnews.hk “Latest Listed Company Information” page for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.topstandard.com.hk.