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## **HANVEY GROUP HOLDINGS LIMITED**

### **恆偉集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8219)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



### **THE PLACING**

On 13 July 2022 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent agree to place, on a best effort basis, up to 15,000,000 Placing Shares to not less than six (6) Placees at a price of HK\$0.5 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of the Placing Shares represent (i) 10% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Shares will be allotted and issued under the General Mandate, and will not be subject to approval by the Shareholders.

The Placing Price of HK\$0.5 was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length between the Company and the Placing Agent, and represents (i) a discount of approximately 9.09% the closing price of HK\$0.55 as quoted on the Stock Exchange on the date of the Placing Agreement and (ii) a discount of approximately 5.48% to the average closing price of approximately HK\$0.53 in the last five consecutive trading days prior to the date of the Placing Agreement.

Assuming all the Placing Shares are subscribed for in full, upon completion of the Placing, the gross proceeds will be HK\$7,500,000 and the net proceeds arising from the Placing are estimated to be approximately HK\$7,240,000. The net price per Placing Share is estimated to be approximately HK\$0.48.

The Placing is conditional upon, among other things, the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the General Mandate.

**Shareholders and potential investors of the Shares should note that Placing is subject to the fulfilment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

Date: 13 July 2022 (after trading hours)

Issuer: The Company

Placing Agent: Excalibur Global Financial Group Limited

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

### The Placing

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to, on a best effort basis, procure up to 15,000,000 Placing Shares at the Placing Price of HK\$0.5 to not less than six (6) independent Placees.

In the event that the number of Placees falls below six (6), the Placing Agent and the Company shall use its best endeavours to comply with the GEM Listing Rules, including to disclosure of details of the Placee(s) including but not limited to the names of such Placee(s).

The Placing Agent will receive a placing commission of 3.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent.

The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **The Placee**

The Placing Agent will, on the best effort basis, place the Placing Shares to not less than six (6) Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. 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 that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of the Placing Shares under the Placing represent (i) 10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$1,500,000.00.

### **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 successfully placed by the Placing Agent.

### **Placing Price**

The Placing Price of HK\$0.5 per Placing Share represents

- (i) a discount of approximately 9.09% the closing price of HK\$0.55 as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 5.48% to the average closing price of approximately HK\$0.53 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The net placing price (after deducting related costs and expenses to be borne by the Company) is approximately HK\$0.48 per Share.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

### **General Mandate**

The Placing Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 30,000,000 new Shares. As at the date of this announcement, the Company had not utilised the General Mandate. Accordingly, the issue of Placing Shares is not subject to any Shareholders' approval.

### **Conditions of the Placing Agreement**

The Placing, which is not subject to the approval of the Shareholders, is conditional upon:

- (i) the granting by the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares successfully placed by the Placing Agent; and
- (ii) all other requisite consents or approvals (if applicable) for the Placing being obtained by the Company,

on or before the Long Stop Date or such later date as the Placing Agent and the Company may agree in writing.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure the fulfillment of the conditions set out above on or before the Long Stop Date, but if the conditions shall not be so fulfilled, all obligations of the Placing Agent and of the Company shall cease and determine and none of the Company and the Placing Agent shall have any claim against the other in relation thereto, save and except for any antecedent breach of any obligation under the Placing Agreement and for all reasonable costs, charges, and expenses already incurred in accordance with the terms of the Placing Agreement.

## **Termination**

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 4:00 p.m. on the Completion Date if:

- (i) there is any new law, rule or regulation or any change in national, international, financial, exchange control, political, economic, legal or regulatory conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 4:00 p.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

## **Completion of the Placing**

Completion shall take place on the third Business Day immediately after the date of the fulfillment of the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing) provided that the conditions set out in the Placing Agreement have been fulfilled by the Long Stop Date.

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

The Group is principally engaged in design and development, manufacturing and distribution of watch products on original design manufacturing basis for watch manufacturers, brand owners and watch importers across the globe.

The maximum gross proceeds and maximum net proceeds from the Placing are expected to be HK\$7,500,000 and approximately HK\$7,240,000, respectively. The Company intends to use such net proceeds from the Placing for general working capital of the Group.

Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$0.48 per Placing Share.

The Directors have considered various ways of raising funds and consider that the Placing represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for its future operation. Accordingly, the Directors consider that the Placing is of the interest of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of Announcement	Event	Net proceeds raised (Approximated)	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
24 December 2021	Rights issue on the basis of one rights share for every two shares held on the record date	HK\$10 million	(i) approximately HK\$7 million for repayment of bank loans and borrowings of the Group; and  (ii) approximately HK\$3 million for the for general working capital of the Group.	Used as intended  Used as intended

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and completion of the Placing):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	%	Number of Shares	%
Million Easy (Note 1)	93,000,000	62%	93,000,000	56.36%
Independent placees	–	–	15,000,000	9.09%
Other Public Shareholders	57,000,000	38%	57,000,000	34.55%
Total	<u>150,000,000</u>	<u>100%</u>	<u>165,000,000</u>	<u>100.00%</u>

*Note:*

1. The shares of the Company are registered in the name of Million Easy, the entire issued share capital of which are legally and beneficially owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Under the SFO, both Mr. Cheuk and Mrs. Cheuk are deemed to be interested in all the shares of the Company held by Million Easy.

**Shareholders and potential investors of the Shares should note that Placing is subject to the fulfilment of the conditions precedent to completion of the Placing and 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 shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 17 June 2022 to approve the General Mandate
“associate(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“business day”	any day on which banks in Hong Kong are generally open for business (other than Saturday and any day on which a tropical cyclone warning 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)
“Company”	Hanvey Group Holdings Limited, a company incorporated in Cayman Island with limited liability whose issued share are listed on GEM (stock code: 8219)
“Completion”	the completion of the Placing
“Completion Date”	the date of the Completion
“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 which was granted to the Directors pursuant to an ordinary resolution passed at the AGM to issue and allot up to 30,000,000 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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 persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons
“Long Stop Date”	means 4 August 2022 (or such later time and date as the Placing Agent and the Company shall agree in writing)
“Million Easy”	Million Easy Enterprises Ltd., a company incorporated in the British Virgin Islands with limited liability, which is owned as by Mr. Cheuk and Mrs. Cheuk in equal shares
“Mr. Cheuk”	Mr. Cheuk Sin Cheong, Clement, the chairman of the Board, the chief executive officer of the Company and an executive Director, the spouse of Mrs. Cheuk
“Mrs. Cheuk”	Ms. Au Corona Ching Mei M.H., an executive Director and the spouse of Mr. Cheuk
“Placee(s)”	any independent person(s) or entity(ies) procured by the Placing Agent or its sub-placing agent(s) subscribe for any of the Placing Shares under the Placing Agreement
“Placing”	the best-effort placing of up to 15,000,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Excalibur Global Financial Group Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO

“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 13 July 2022 in relation to the Placing
“Placing Price”	HK\$0.5 per Placing Share
“Placing Share(s)”	up to 15,000,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issue share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**HANVEY GROUP HOLDINGS LIMITED**  
**Cheuk Sin Cheong Clement**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 13 July 2022

*As at the date of this announcement, the Executive Directors are Mr. Cheuk Sin Cheong Clement and Ms. Au Corona Ching Mei M.H. and the Independent Non-executive Directors are Mr. Yu Sau Ning Homer M.H., Mr. Zhao Zhipeng, Ms. Yee Wai Fong Wendy and Dr. Liu Ngai Wing.*

*This announcement, for which the directors of the Company 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 of the Company, 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 website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company at [www.hanveygroup.com.hk](http://www.hanveygroup.com.hk).*