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HOPE LIFE INTERNATIONAL HOLDINGS LIMITED

曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

(1) TERMINATION OF PREVIOUS PLACING AGREEMENT AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL AND (2) PLACING OF NEW SHARES UNDER GENERAL MANDATE

PLACING AGENT



TERMINATION OF PREVIOUS PLACING AGREEMENT AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company and the Previous Placing Agent entered into the Termination Agreement on 23 November 2021 (after trading hours), pursuant to which the Previous Placing Agreement shall be terminated and shall cease to have any force or effect with effect from 23 November 2021. Neither party shall have any claim against the others as a result of the termination of the Previous Placing Agreement. Upon the termination of the Previous Placing Agreement, the CB Placing will not proceed.

Upon the termination of the Previous Placing Agreement, there is no imminent needs to undergo the proposed Increase in Authorised Share Capital and accordingly, the proposed Increase in Authorised Share Capital will not proceed.

THE PLACING

On 23 November 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agrees, as agent of the Company, to procure on a best effort basis of not less than six Placees, who and whose ultimate beneficial owners will be Independent Third Parties, to subscribe for up to a maximum of 120,000,000 Placing Shares at the Placing Price of HK\$0.1 per Placing Share.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the date of the Completion, the 120,000,000 Placing Shares represent 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The gross proceeds from the Placing, assuming all the Placing Shares are fully placed, will be HK\$12,000,000. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$11,730,000, representing a net issue price of approximately HK\$0.098 per Placing Share. The Company intends to apply the net proceeds from the Placing as to (i) HK\$8,000,000 to support the Group's construction and its ancillary services; and (ii) the remaining net proceeds of the Placing will be used as the general working capital of the Group. The Directors are of the view that the terms of the Placing Agreement 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.

Shareholders and potential investors of the Company shall be aware that Completion is subject to fulfillment of the condition set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

TERMINATION OF PREVIOUS PLACING AGREEMENT AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

References are made to the announcements of the Company dated 23 July 2021, 13 August 2021, 10 September 2021, 8 October 2021 and 5 November 2021 in relation to the CB Placing and the proposed Increase in Authorised Share Capital.

The Board announces that, after taking into account the size of the CB Placing and the current market conditions, the Company and the Previous Placing Agent entered into the Termination Agreement on 23 November 2021 (after trading hours), pursuant to which the Previous Placing Agreement shall be terminated and shall cease to have any force or effect with effect from 23 November 2021. Neither party shall have any claim against the others as a result of the termination of the Previous Placing Agreement. Upon the termination of the Previous Placing Agreement, the CB Placing would not proceed.

Upon the termination of the Previous Placing Agreement, there is no imminent needs to undergo the proposed Increase in Authorised Share Capital and accordingly, the proposed Increase in Authorised Share Capital will not proceed.

The Directors believe that the termination of the Previous Placing Agreement, together with the non-continuation of the CB Placing and the proposed Increase in Authorised Share Capital have no material adverse impact on the financial position and operations of the Company.

As a result of the termination of the Previous Placing Agreement and the proposed Increase in Authorised Share Capital, the Company will not arrange for the despatch of the Circular and/or convene and hold the EGM in relation to the Previous Placing Agreement and the transaction contemplated thereunder and the proposed Increase in Authorised Share Capital.

THE PLACING

On 23 November 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 120,000,000 Placing Shares at the Placing Price of HK\$0.1 per Placing Share to the Placees who and whose beneficial owners shall be Independent Third Parties. Details of the Placing Agreement are set out as follow:

Date

23 November 2021 (after trading hours)

Parties

Issuer: The Company

Placing Agent: Cornerstone Securities Limited

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 owners are Independent Third Parties. As at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) were not interested in any Shares.

Placing commission

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 120,000,000 Placing Shares to the Placees. In consideration of the Placing, the Placing Agent will receive a placing commission of 1.5% out of the gross proceeds of the Placing (i.e. Placing Price multiplied by the number of Placing Shares actually and successfully placed by the Placing Agent) upon the Completion. The Directors are of the view that the placing commission accords with the prevailing market rate and is fair and reasonable.

Placees

The Placing Shares will be placed on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after Completion.

Placing Shares

As at the date of this announcement, the Company has 600,000,000 Shares in issue. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 120,000,000 Placing Shares represent (i) 20% 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 Placing Shares. Assuming all 120,000,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the maximum number of Placing Shares is HK\$1,200,000.

Placing Price

The Placing Price of HK\$0.1 represents:

- (i) a discount of approximately 9.91% to the closing price of HK\$0.111 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 7.41% to the average closing price per Share of approximately HK\$0.108 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares shall rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 28 May 2021. Under the General Mandate, the Company is authorised to allot and issue new shares of the Company not exceeding 20% of the total number of issued shares of the Company as at the date of passing the relevant resolution approving the General Mandate until the revocation, variation or expiration of the General Mandate. As at the date of this announcement, no Share has been issued under the General Mandate. The 120,000,000 Placing Shares to be allotted and issued will fully utilise the General Mandate and therefore, the Placing is not subject to Shareholders' approval.

Placing Condition

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the Company the approval for the listing of, and permission to deal in, the Placing Shares on or before 8 December 2021 (or such later date as may be agreed between the parties to the Placing Agreement in writing). In the event the above condition is not fulfilled, all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against one another for costs, damages, compensation or otherwise arising under the Placing Agreement, save for any antecedent breach under the Placing Agreement.

Completion

The Completion shall take place on a date falling within seven Business Day after the fulfillment of the condition set out above is satisfied (or such later date as may be agreed between the parties to the Placing Agreement in writing).

Force Majeure

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time up to 8:00 a.m. on the date of the Completion upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions, affairs or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

- (a) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (b) 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
- (c) 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; or
- (d) any statement contained in the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

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 8:00 a.m. on the date of the Completion 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.

If notice is given from either party to the Placing Agreement pursuant to the above, all obligations and liabilities of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and outstanding liabilities under the Placing Agreement.

Application for Listing

The Company will apply to the Listing Committee for the approval for the listing of, and permission to deal in, the Placing Shares.

FUND RAISING DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company has not conducted any equity fund raising activity. As noted above in this announcement, the CB Placing would not proceed owing to the termination of the Previous Placing Agreement.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is principally engaged in construction and its ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, financial services and consumer goods business, including but not limited to the Chinese wine businesses.

The gross proceeds from the Placing, assuming all the Placing Shares are fully placed, will be HK\$12,000,000. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$11,730,000, representing a net issue price of approximately HK\$0.098 per Placing Share.

The Company intends to apply the net proceeds from the Placing as to (i) HK\$8,000,000 to support the Group's construction and its ancillary services; and (ii) the remaining net proceeds of the Placing will be used as the general working capital of the Group.

The Directors are of the view that the terms of the Placing Agreement 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.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion (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 date of the Completion) are as follows:

Shareholders	As at the date of this announcement		Immediately after Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Substantial Shareholders				
Starcross Group Limited (Note 1)	52,155,111	8.69	52,155,111	7.24
Ample Platinum Enterprises Limited (Note 2)	149,900,000	24.98	149,900,000	20.82
Public Shareholders				
Placees	–	–	120,000,000	16.67
Other public Shareholders	397,944,889	66.33	397,944,889	55.27
Total	600,000,000	100.00	720,000,000	100.00

Notes:

- As at the date of this announcement, the issued share capital of Starcross Group Limited is owned as to 75% by Mr. LEONG Hing Loong Rudoff (“Mr. Leong”) and 25% by Ms. CHEW Christina Mooi Chong (“Ms. Chew”), the spouse of Mr. Leong. By virtue of the SFO, both Mr. Leong and Ms. Chew were deemed to be interested in the 52,155,111 Shares in which Starcross Group Limited was interested.
- As at the date of this announcement, Ample Platinum Enterprises Limited was the registered holder of 149,900,000 Shares and Mr. HUI Kee Fung (“Mr. Hui”) is the sole shareholder of Ample Platinum Enterprises Limited. Under Part XV of the SFO, Mr. Hui was therefore deemed to be interested in the 149,900,000 Shares in which Ample Platinum Enterprises Limited was interested. Mr. Hui is also one of the executive Directors and the chairman of the Board.

Shareholders and potential investors of the Company shall be aware that the Placing is on a best effort basis and Completion is subject to fulfillment of the condition set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“CB Placing”	the placing of the convertible bonds in accordance with the terms and conditions as set out in the Previous Placing Agreement
“Circular”	a circular containing, among other things, (i) details regarding the CB Placing and the proposed Increase in Authorised Share Capital; and (ii) a notice of EGM to be despatched to the Shareholders
“Company”	Hope Life International Holdings Limited, a company incorporated in Cayman Island with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the terms and condition set out in the Placing Agreement
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Convertible Bonds”	the 3% per annum coupon interest rate convertible bonds proposed to be issued by the Company in the aggregate principal amount of up to HK\$117,000,000 to be placed, subject to the terms and conditions of the Previous Placing Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting to be convened by the Company to approve, among others, the Previous Placing Agreement and the transaction contemplated thereunder and the proposed Increase in Authorised Share Capital

“General Mandate”	the general mandate granted to the Directors by the shareholders pursuant to a resolution passed at the annual general meeting of the Company held on 28 May 2021 pursuant to which the Directors are allowed to issue, allot and deal with up to 120,000,000 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Shares to HK\$50,000,000 divided into 5,000,000,000 Shares by creating an additional 4,000,000,000 unissued Shares
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Last Trading Day”	22 November 2021, being the last trading day for the prior to the date of the Placing Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors who are Independent Third Parties, procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees, on and subject to the terms and condition set out in the Placing Agreement

“Placing Agent”	Cornerstone Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 23 November 2021 entered into between the Company and the Placing Agent in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.1 per Placing Share
“Placing Share(s)”	a maximum of up to 120,000,000 new Shares to be placed pursuant to the Placing Agreement
“Previous Announcement(s)”	with respect to all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the annual report of the Company relating to the annual results of the Company for the year ended 31 December 2020
“Previous Placing Agent”	Yuet Sheung International Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Previous Placing Agreement”	the placing agreement dated 23 July 2021 entered into between the Company and the Previous Placing Agent in relation to the placing of convertible bonds under specific mandate, details of which are set out in the announcement of the Company dated 23 July 2021
“Shareholders”	holders of the issued Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the termination agreement dated 23 November 2021 entered into between the Company and the Previous Placing Agent in relation to the termination of the Previous Placing Agreement

“%”

per cent.

By Order of the Board
Hope Life International Holdings Limited
LIANG Zhichao
Executive Director

Hong Kong, 23 November 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. HUI Kee Fung and Mr. LIANG Zhichao as Executive Directors; and Mr. CHEUNG Ting Pong, Mr. ZHEN Jian and Ms. XIE Yanbin as Independent Non-executive Directors.