

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities.

EJE (HONG KONG) HOLDINGS LIMITED

壹家壹品(香港)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8101)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Orient Securities Limited

THE PLACING

On 10 March 2020 after trading hours, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 261,000,000 Placing Shares at the Placing Price of HK\$0.115 per Placing Share.

Assuming that there is 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 Placing Shares represent approximately 9.02% of the existing issued share capital of the Company of 2,892,000,000 Shares and approximately 8.28% of the issued share capital of the Company of 3,153,000,000 Shares as enlarged by the Placing Shares.

The Placing Price represents (i) a discount of approximately 9.45% to the closing price of HK\$0.127 per Share as quoted on the Stock Exchange on 10 March 2020, being the date of the Placing Agreement; and (ii) a discount of approximately 10.02% over the average closing price per Share of HK\$0.1278 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 9 March 2020, being the date immediately preceding the date of the Placing Agreement.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares.

* For identification purposes only

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$30,015,000 and HK\$27,803,000 respectively. The Company intends to apply the net proceeds from the Placing for (i) to investment for the new business development with regard to the sell and distribution of Saniswiss products in Guangdong Province; and (ii) general working capital of the Group.

THE PLACING AGREEMENT

Date

10 March 2020 (after trading hours)

Parties

- (a) The Placing Agent; and
- (b) The Company

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing

The Placing Agent has conditionally agreed with the Company to place the Placing Shares to not less than six Placees on a best effort basis. The Company will issue a further announcement upon completion of the Placing.

Placees

The Placees (and their respective ultimate beneficial owners) are expected to be Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

Assuming that there is 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 approximately 9.02% of the existing issued share capital of the Company of 2,892,000,000 Shares and approximately 8.28% of the issued share capital of the Company of 3,153,000,000 Shares as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares will be HK\$6,525,000.

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

Placing Price

The Placing Price represents (i) a discount of approximately 9.45% to the closing price of HK\$0.127 per Share as quoted on the Stock Exchange on 9 March 2020, being the date of the Placing Agreement; and (ii) a discount of approximately 10.02% over the average closing price per Share of HK\$0.1278 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 9 March 2020, being the date immediately preceding the date of the Placing Agreement.

The estimated expenses for the Placing are approximately HK\$2,212,000, comprising placing commission, and other professional fees and expenses. Assuming that all the Placing Shares could be successfully placed out, the net price to the Company of each Placing Share is approximately HK\$0.1065 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to current market conditions, prevailing market price and liquidity of the Shares.

The Board also considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Commission

The Placing Agent will be entitled to a commission of 7% of the amount equivalent to the Placing Price multiplied by the number of Placing Shares actually placed. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size and the current market conditions. The Directors are of the view that the placing commission payable under the Placing is fair and reasonable.

Condition Precedent of the Placing Agreement

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares.

If the foregoing condition is not fulfilled on or prior to 30 March 2020 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination of the Placing

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations, warranties and undertakings as provided by the Company to the Placing Agent under the Placing Agreement; or

- (ii) any of the following events:
- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date thereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement, all obligations 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 breach arising prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on the Completion Date.

Mandate to Issue the new Shares

The Placing Shares will be issued pursuant to the General Mandate which was granted at the AGM and under which the Directors are allowed to allot and issue new Shares up to a maximum of 578,400,000 Shares. As at the date of this announcement, the Company has not utilised the General Mandate. Therefore, the Company is allowed to issue up to 578,400,000 Shares under the General Mandate.

Accordingly, the Placing and the issue of Placing Shares are not subject to Shareholders' approval.

Reason for the Placing and Use of Net Proceeds

The Group is principally engaged in (i) manufacture of custom-made furniture in the PRC, (ii) design, manufacture and sale of mattresses and soft bed products in the PRC and export of mattresses to overseas markets, (iii) securities investment in Hong Kong, (iv) property investment in Hong Kong, and (v) money lending in Hong Kong.

The Directors are of the view that the Placing represents a good opportunity for the Company to broaden its shareholders' base and raise additional funds at a reasonable cost. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

Assuming all the Placing Shares have been placed, the maximum gross proceeds from the Placing will be HK\$30,015,000 and the maximum net proceeds (after deduction of commission payable to the Placing Agent and other expenses incidental to the Placing) will be approximately HK\$27,803,000. On such basis, the net issue price will be approximately HK\$0.1065 per Placing Share. The Company intends to apply the net proceeds to investment for the new business development with regard to the sell and distribution of Saniswiss products in Guangdong Province. For details of this new business development, please refer to announcement of the Company dated 4 March 2020.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing	
	Number of Shares	Approximate % (Note)	Number of Shares	Approximate % (Note)
Sau San Tong Holdings Limited	221,728,000	7.67	221,728,000	7.03
H N Group Limited	207,720,00	7.18	207,720,000	6.59
Placees	—	—	261,000,000	8.28
Other public Shareholders	<u>2,462,552,000</u>	<u>85.15</u>	<u>2,462,552,000</u>	<u>78.10</u>
Total	<u>2,892,000,000</u>	<u>100.00</u>	<u>3,153,000,000</u>	<u>100.00</u>

Note: Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

DETAILS OF PREVIOUS FUND RAISING ACTIVITY IN THE PAST 12 MONTHS

Company had not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

GENERAL

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

Shareholders and potential investors should note that the completion of the Placing is subject to condition under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors 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 ascribed to them respectively:

“AGM”	the annual general meeting of the Company held on 21 August 2019
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	EJE (Hong Kong) Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on GEM (stock code: 8101)
“Completion Date”	not later than the fifth Business Day following the satisfaction of the condition under the Placing Agreement (or such other date as the Company and the Placing Agent shall agree in writing)
“connected person(s)”	has the meaning ascribed thereto under 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 pursuant to the ordinary resolution passed by the Shareholders at the AGM to allot, issue and deal with up to a maximum of 578,400,000 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Listing Committee”	The Listing Committee of the Stock Exchange
“Placee(s)”	any individual(s), corporation(s) and/or institutional or professional investor(s) procured by or on behalf of the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligation under the Placing Agreement
“Placing”	the placing of the Placing Shares to not less than six Placees on a best effort basis by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Orient Securities Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities) and type 9 regulated activity (asset management) under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 10 March 2020 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.115 per Placing Share
“Placing Shares”	up to 261,000,000 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
EJE (Hong Kong) Holdings Limited
Mr. Chau Tsz Kong Alan
Executive Director

Hong Kong, 10 March 2020

As at the date of this announcement, the executive Directors are Mr. Qin Yuquan, Mr. Hung Cho Sing and Mr. Chau Tsz Kong Alan; and the independent non-executive Directors are Mr. Tang Kin Chor, Mr. Chan Chun Wing and Mr. Yiu Shung Kit.

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 Company Announcements” page of the website of GEM at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at <http://www.ejeliving.com>.