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Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8510)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 6 December 2023 (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 276,480,000 Placing Shares at the Placing Price of HK\$0.013 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties.

Assuming 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 276,480,000 Placing Shares represent (i) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.013 represents:

- (i) a discount of approximately 18.8% to the closing price of HK\$0.016 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) equal to the average closing price per Share of approximately HK\$0.013 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming the maximum 276,480,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$3.6 million and HK\$3.5 million respectively. The Company intends to apply the net proceeds from the Placing for the general working capital of the Group.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment 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.

Details of the Placing Agreement are set out as follows:

THE PLACING AGREEMENT

Date

6 December 2023 (after trading hours)

Parties

Issuer: The Company

Placing Agent: Sanston 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 owners are Independent Third Parties.

The Placing Agent has conditionally agreed with the Company to place a maximum of 276,480,000 Placing Shares on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placees shall be individual, institutional or professional investors. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

Placing Shares

As at the date of this announcement, the Company has 1,382,400,000 Shares in issue. Assuming there will be no change in the maximum number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 276,480,000 Placing Shares represent (i) approximately 20.0% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% 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 Placing Shares is HK\$2,764,800.

Placing Price

The Placing Price of HK\$0.013 represents:

- (i) a discount of approximately 18.8% to the closing price of HK\$0.016 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) equal to the average closing price per Share of approximately HK\$0.013 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price 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.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2023. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorized to allot and issue is 276,480,000 new Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate and the General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the Placing is not subject to any Shareholders' approval. The General Mandate will be utilized as to 100% upon allotment and issue of all the Placing Shares.

Commission

The Placing Agent will be entitled to a commission of 2.5% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in accordance with the Placing Agreement. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will 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.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfillment of all of the following:

- (i) the GEM Listing Committee having granted the listing of, and permission to deal in, the Placing Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

- (iii) the Placing Agreement not having been terminated pursuant to the terms of the Placing Agreement.

If any of the conditions are not fulfilled on or before 29 December 2023 or such later date as the parties of the Placing Agreement may agree in writing, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs of losses.

Application for listing

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

Completion

The Completion shall take place on a date falling within 3 Business Days after the fulfillment of the conditions set out above are satisfied (or such later date as may be agreed between the parties of the Placing Agreement in writing).

Termination

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 that 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 and warranties set out the Placing Agreement; or
- (ii) any of the following events:
 - (a) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in Hong Kong which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
 - (b) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or would be materially adverse to the success of the Placing; 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 or 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.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3.6 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$3.5 million. On such basis, the net issue price will be approximately HK\$0.012 per Placing Share. The Company intends to apply the net proceeds from the Placing as general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms following arm's length negotiations between the Company and the Placing Agent and are fair and reasonable based on the current market conditions and 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 the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

Controlling Shareholder, Substantial Shareholders and Directors	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. % of shareholding
JSS Group Corporation (<i>Note 1</i>)	461,888,000	33.41%	461,888,000	27.84%
Axis Motion Limited	230,400,000	16.67%	230,400,000	13.89%
Focus Dynamics Group Berhad	192,000,000	13.89%	192,000,000	11.57%
The Placees	–	–	276,480,000	16.67%
Other public Shareholders	498,112,000	36.03%	498,112,000	30.03%
Total	<u>1,382,400,000</u>	<u>100.00%</u>	<u>1,658,880,000</u>	<u>100.00%</u>

Note:

- (1) Mr. Chuk Stanley, the chairman and an executive Director, directly owns 100% 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.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment 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 have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“Company”	Top Standard Corporation (Stock code: 8510), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the GEM of the Stock Exchange
“Completion”	the completion of the Placing Agreement
“connected person”	has the meaning set out in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Committee”	the GEM Listing Committee 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 at the annual general meeting of the Company held on 30 June 2023
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 conditions set out in the Placing Agreement
“Placing Agent”	Sanston Financial Group 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)
“Placing Agreement”	the conditional placing agreement dated 6 December 2023 entered into between the Company and the Placing Agent in relation to the Placing

“Placing Price”	the placing price of HK\$0.013 per Placing Share
“Placing Share(s)”	a maximum up to 276,480,000 new Shares to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holders(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 December 2023

As at the date of this announcement, the 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 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 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 Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its publication and will be published on the Company’s website at www.topstandard.com.hk.