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Zhongshi Minan Holdings Limited

中食民安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Yuet Sheung International Securities Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 7 January 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best endeavour basis, up to 400,000,000 Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (where applicable) shall be Independent Third Party(ies), at the Placing Price of HK\$0.04 per Placing Share.

The maximum number of Placing Shares of 400,000,000 Shares represents (i) 20% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,000,000.

The Placing Price of HK\$0.04 per Placing Share represents (i) a discount of approximately 9.09% to the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 13.42% to the average of the closing prices per Share of HK\$0.0462 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Subject to Completion, and assuming that all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing are estimated to be approximately HK\$16 million, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$15.30 million, representing a net issue price of approximately HK\$0.0383 per Placing Share.

The maximum net proceeds from the Placing are intended to be used as to (i) approximately HK\$10 million to support the business operation and development of the Group's sale of food and smart kitchen appliances business; and (ii) approximately HK\$5.30 million for general working capital of the Company.

GENERAL

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 24 June 2024. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

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

Completion of the Placing is subject to the satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 7 January 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best endeavour basis, up to 400,000,000 Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (where applicable) shall be Independent Third Party(ies), at the Placing Price of HK\$0.04 per Placing Share.

THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are as follows:

Date

7 January 2025 (after trading hours of the Stock Exchange)

Parties

Issuer: The Company

Placing Agent: Yuet Sheung International 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.

Placing commission

Subject to the Completion, the Placing Agent will charge the Company a placing commission of 4% of the aggregate Placing Price of the Placing Shares actually placed by the Placing Agent. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent, and determined with reference to, amongst other things, the prevailing market rate. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed on a best endeavour basis to not less than six Placees, who and whose ultimate beneficial owner(s) (where applicable) will be Independent Third Party(ies). It is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) immediately after Completion.

Placing Shares

The Company has conditionally agreed to place, through the Placing Agent on a best endeavour basis, up to 400,000,000 Placing Shares, representing (i) 20% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,000,000.

Placing Price

The Placing Price of HK\$0.04 represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 13.42% to the average of the closing prices per Share of HK\$0.0462 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 and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market conditions and the prevailing market prices of the Shares. The Directors consider that the Placing Price is fair and reasonable, on normal commercial terms and the Placing is in the interests of the Company and Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

Condition precedent of the Placing Agreement

The Placing is conditional upon the GEM Listing Committee granting a listing of, and permission to deal in, all the Placing Shares to be placed pursuant to the terms and conditions of the Placing Agreement and such listing and permission not subsequently being revoked.

If the above condition is not fulfilled on or before 24 January 2025 or such later date as may be agreed between the Company and the Placing Agent in writing, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties to the Placing Agreement shall have any claim against the other in relation to the Placing Agreement save for any antecedent breach.

Completion of the Placing

Completion shall take place within five (5) Business Days after the date on which the condition set out above is satisfied or such other date as the Company and the Placing Agent may agree in writing.

Termination of the Placing Agreement

The Placing Agent may, in its reasonable opinion, after consultation with the Company and the written consent of the Company, both parties may terminate the Placing Agreement if:

- (1) 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
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) 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
- (4) 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 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.

Upon the termination pursuant to the Placing Agreement, all obligations and liabilities of each of the parties under the Placing Agreement (other than certain provisions as set out in the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the parties to the Placing Agreement) shall cease and determine and no party to the Placing Agreement shall have any claim against the 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 under the Placing Agreement.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit of 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 allot and issue up to 400,000,000 Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

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.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair of services; (2) modification, tuning and grooming services and trading of spare parts, accessories and passenger cars; (3) provision of motor finance services; and (4) development, manufacturing and sale of ready-made food and smart kitchen solutions.

As China's urbanisation accelerates and the pace of life becomes increasingly rapid, more and more consumers are keen on convenient and quick dining options. As a result, Safe, healthy and delicious ready-made food together with a set of convenient and efficient smart kitchen solutions are gaining popularity. The prospects for China's pre-prepared meal market are promising; with changes in consumer demand and advancements in technology, the market is expected to continue to grow. The Board sees huge potential on the ready-made food and smart kitchen solutions market in the PRC and consider appropriate to accelerate the development of the Group's ready-made food and smart kitchen solutions business.

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing are estimated to be approximately HK\$16 million, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$15.30 million, representing a net issue price of approximately HK\$0.0383 per Placing Share.

The maximum net proceeds from the Placing are intended to be used as to (i) approximately HK\$10 million to support the operation and development of the Group's ready-made food and smart kitchen solutions business including (a) approximately HK\$6.5 million for procurement of inventories and materials; (b) approximately HK\$2.4 million for recruitment of sales talents and marketing of the Group's ready-made food and smart kitchen solutions products; and (c) approximately HK\$1.1 million for direct and indirect overheads of the Group's ready-made food and smart kitchen solutions business segment; and (ii) approximately HK\$5.30 million for general working capital of the Company.

Having considered the above and having further considered that the Placing represents an opportunity to promptly strengthen the financial position of the Group and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, the Directors are of the view that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable, and the entering into of the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

Meanwhile, the Board is actively considering a proposal on a share consolidation in the view that the Shares had been traded below HK\$0.1 in the past three months (based on the closing price per Share as quoted on the Stock Exchange). Details of a proposal on the share consolidation will be announced as and when appropriate.

FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company did not conduct any equity fund raising activity.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon Completion (assuming that all the Placing Shares are subscribed in full and there is no other change in the issued share capital of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately upon Completion (assuming that all the Placing Shares are subscribed in full and there is no other change in the issued share capital of the Company before the allotment and issue of the Placing Shares under the Placing)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate % (Note 3)</i>
Mr. WANG Lei (<i>Note 1</i>)	590,870,000	29.54	590,870,000	24.62
Mr. LI Jie	286,020,000	14.30	286,020,000	11.92
Mr. CHEN Huichun (<i>Note 2</i>)	700,000	0.04	700,000	0.03
The Placees	–	–	400,000,000	16.67
Other public Shareholders	1,122,410,000	56.12	1,122,410,000	46.77
Total	<u>2,000,000,000</u>	<u>100.00</u>	<u>2,400,000,000</u>	<u>100.00</u>

Notes:

1. Mr. WANG Lei is an executive Director, Co-Chairman and Chief Executive Officer of the Company.
2. Mr. CHEN Huichun is an independent non-executive Director of the Company.
3. The percentages are subject to rounding difference, if any.

Completion of the Placing is subject to the satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 26 June 2024
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for general banking business in Hong Kong
“China” or “PRC”	the People’s Republic of China and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Zhongshi Minan Holdings Limited, a limited liability company incorporated under the laws of the Cayman Islands, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8283)
“Completion”	the completion of the Placing pursuant to the Placing Agreement, which shall take place on the Completion Date
“Completion Date”	the date falling within five (5) Business Days after the date on which the condition precedent set out in the Placing Agreement is satisfied or such other date as the Company and the Placing Agent may agree in writing

“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the rules governing the listing of securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal in not more than 400,000,000 new Shares by the Shareholders at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third parties who are not connected person(s) of the Company (as defined under the GEM Listing Rules) and are not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-back) and are independent of and not connected with the Company or the Directors, chief executive, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates (as defined under the GEM Listing Rules)
“Placee(s)”	any individuals, professional, institutional and other investors selected and procured by or on behalf of the Placing Agent to subscribe any of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing”	the offer by way of private placing, on a best effort basis, of a total of up to 400,000,000 Placing Shares to be allotted and issued under the General Mandate pursuant to the terms of the Placing Agreement
“Placing Agent”	Yuet Sheung International Securities Limited, a licensed corporation to carry out business in 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 7 January 2025 entered into between the Company and the Placing Agent in relation to the Placing

“Placing Price”	HK\$0.04 per Placing Share
“Placing Share(s)”	up to 400,000,000 new Shares to be placed under the Placing
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By the Order of the Board
Zhongshi Minan Holdings Limited
WANG Lei

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 7 January 2025

As at the date of this announcement, the executive Directors are Mr. WANG Lei, Mr. CHUA Boon Hou (CAI Wenhao) and Ms. WU Mengmeng; and the non-executive Director is Mr. LI Xiaodong; and the independent non-executive Directors are Mr. CHEN Huichun, Mr. ZHAO Wei and Mr. GAO Yan.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at <http://www.zhongshiminanholdings.com>.