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## **MIKO INTERNATIONAL HOLDINGS LIMITED**

**米格國際控股有限公司**

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

**(Stock Code: 1247)**

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

**Sole Placing Agent**



**中國通海證券有限公司**  
**CHINA TONGHAI SECURITIES LIMITED**

On 22 April 2022, after trading hours, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best efforts basis, up to 23,616,000 Placing Shares, at the Placing Price and the Company agreed to allot and issue the Placing Shares at the Placing Price. The Placing Shares will be allotted and issued under the General Mandate.

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 Placing Shares represent (i) approximately 20% of the issued share capital of the Company as at the date of the Placing Agreement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the completion of the Placing.

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

Assuming the maximum number of 23,616,000 Placing Shares have been placed, the net proceeds to be received by the Company from the Placing will amount to approximately HK\$13.5 million. It is expected that the net proceeds will be used for general working capital of the Group.

**Completion of the Placing is subject to fulfilment of certain conditions and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **I. THE PLACING AGREEMENT**

### **Date**

22 April 2022 (after trading hours)

### **Parties**

- (i) the Company; and
- (ii) the Placing Agent.

### **The Placing and Number of Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent has agreed to place, either by itself or through its sub-placing agents, on a best efforts basis, up to 23,616,000 new Shares, representing (i) approximately 20% of the 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 immediately after the completion of the Placing.

The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$2,361,600.

### **Placing Price**

The Placing Price of HK\$0.58 per Placing Share represents:

- (i) a discount of approximately 9.38% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on 22 April 2022, being the date of the Placing Agreement;
- (ii) a premium of approximately 3.60% to the average closing price of the Shares of approximately HK\$0.56 per Share as quoted on the Stock Exchange from 13 April 2022 to 14 April 2022 and from 19 April 2022 to 21 April 2022, all dates inclusive, being the last five trading days immediately prior to the date of this announcement.

The net Placing Price, after deduction of placing commission and all other fees and expenses, is estimated to be approximately HK\$0.57 per Placing Share.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

### **Placing Agent**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of the Company and its connected persons, and are not connected persons (as defined in the Listing Rules) of the Company.

### **Placing commission**

The Placing Agent will receive a placing commission of 1% of the amount equal to the Placing Price multiplied by the number of the Placing Shares which the Placing Agent has procured the Placees to subscribe for the Placing Shares. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.

### **The Placees**

The Placing Agent has agreed to procure that there will be not less than six Placees (who are independent professional, institutional or other investors). The Placees (and their ultimate beneficial owners) will be independent of the Company and its connected persons (as defined in the Listing Rules). None of the Placing Agent nor the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Placing.

### **Rights and Ranking of the Placing Shares**

The Placing Shares will be issued free of any encumbrances and third-party rights and rank, upon allotment and issue of the Placing Shares, *pari passu* in all respect among themselves and with Shares in issue as at the date of this announcement.

### **Conditions of the Placing**

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked); and
- (b) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained.

In the event that the conditions of the Placing are not fulfilled on or before 13 May 2022 (or such later date as may be agreed between the Placing Agent and the Company), the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing except (i) the Company shall remain liable for the payment of all costs and expenses already incurred or to be incurred in consequence of such termination; (ii) any antecedent breach of any of the obligations and liabilities under the Placing Agreement; and (iii) that the provisions regarding indemnity in the Placing Agreement shall remain in full force and effect.

### **Completion**

Completion of the Placing shall take place within five Business Day upon the fulfilment of the conditions set out in the paragraph headed “Conditions of the Placing” in this announcement or such later date as the Company and the Placing Agent may agree (the “Completion Date”).

### **Termination**

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement (without liability) by notice in writing to the Company at any time prior to 12:00 noon on the Completion Date upon the occurrence of the following events:

- (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;
- (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;
- (c) there is any new law and regulation or change in existing laws and regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the reasonable opinion any such new law or change may adversely affect the business or financial position of the Group;
- (d) any litigation or claim being instigated against the Group, which has or may have an adverse material effect on the business or financial position of the Group and which in the Placing Agent’s reasonable opinion would adversely affect the success of the Placing; or

- (e) 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 12:00 noon 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 termination of the Placing Agreement pursuant to the terms therein, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

#### **Mandate to issue new Shares**

The Placing Shares will be issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 28 May 2021, which authorized the Directors to allot and issue up to 23,616,000 Shares (representing 20% of the issued share capital of the Company as at such date). The issue of the Placing Shares will not be subject to the Shareholders' approval.

The General Mandate has not been utilized prior to entering into the Placing Agreement and the Company has not repurchased any Shares in the 30 days immediately preceding the date of the Placing Agreement.

The General Mandate will be utilised as to 100% upon the allotment and issue of the 23,616,000 Placing Shares.

## II. EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after the Placing is summarised as follows:

Shareholders	(i) As at the date of this announcement		(ii) Immediately upon Completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Think Wise Holdings Investment Limited (Note 1)	24,817,669	21.02	24,817,669	17.51
Rightful Style Limited (Note 2)	4,231,200	3.58	4,231,200	2.99
Snowy Wise Limited (Note 3)	4,224,000	3.58	4,224,000	2.98
<b>Placees</b>	–	–	23,616,000	16.67
<b>Other public Shareholders</b>	<u>84,807,131</u>	<u>71.82</u>	<u>84,807,131</u>	<u>59.85</u>
<b>Total (Note 4)</b>	<u><u>118,080,000</u></u>	<u><u>100.00</u></u>	<u><u>141,696,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Think Wise Holdings Investment Limited is wholly-owned and controlled by Mr. Ding Peiji. Accordingly, Mr. Ding Peiji is deemed to be interested in all the Shares in which Think Wise Holdings Investment Limited is interested under the SFO.
2. Rightful Style Limited is wholly-owned and controlled by Mr. Ding Peiyuan. Accordingly, Mr. Ding Peiyuan is deemed to be interested in all the Shares in which Rightful Style Limited is interested under the SFO.
3. Snowy Wise Limited is wholly-owned and controlled by Ms. Ding Lizhen. Accordingly, Ms. Ding Lizhen is deemed to be interested in all the Shares in which Snowy Wise Limited is interested under the SFO.

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

The Group's business is primarily marketing products through wholesaling to distributors, and self-operated stores who operate "redkids" branded retail stores in various provinces and municipalities in Mainland China.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$13.7 million, and the net proceeds will be approximately HK\$13.5 million (after deduction of commission and other expenses incurred in the Placing). The Company intends to use the net proceeds from the Placing for the general working capital of the Group, including (i) approximately HK\$8 million of the net proceeds for repaying borrowings of the Group; (ii) approximately HK\$4.5 million of the net proceeds for settling general operation costs; and (iii) approximately HK\$1 million of the net proceeds for settling annual professional fees such as audit fees, legal costs and financial printing fees.

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. Accordingly, the Directors consider that the Placing Agreement is in the interest of the Company and the Shareholders as a whole, and the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions.

### **IV. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

### **V. APPLICATION FOR LISTING**

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

**Completion of the Placing is subject to fulfilment of certain conditions and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following terms shall have the meanings as set out below unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or public holiday or any day on which a tropical cyclone warning signal 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) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Miko International Holdings Limited (米格國際控股有限公司), an exempted company incorporated with limited liability under the laws of the Cayman Islands on 15 March 2013 and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1247)
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 28 May 2021, authorizing the Directors to allot and issue Shares up to 20% of the issued share capital of the Company as at that date
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee(s)”	any professional, institutional or other investor(s) to be procured by the Placing Agent to subscribe for the Placing Shares pursuant to the terms and condition of the Placing Agreement



“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	China Tonghai Securities Limited, a company incorporated in Hong Kong with limited liability and licensed in Hong Kong to carry out Types 1, 2, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 22 April 2022 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.58 per Placing Share
“Placing Shares”	up to 23,616,000 new Shares to be placed under the Placing
“PRC”	People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“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 capital of the Company
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Miko International Holdings Limited**  
**Ding Peiji**  
*Chairman*

Hong Kong, 22 April 2022

*As at the date of this announcement, our executive Directors are Mr. Ding Peiji, Mr. Ding Peiyuan and Ms. Ding Lizhen; and our independent non-executive Directors are Mr. Hung Cho Sing, Mr. Chan Wai Wong and Mr. Wu Shiming.*