Grown Up Group Investment Holdings Limited
植華集團投資控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1842)

ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that on 12 May 2022, after the trading hours, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has agreed to subscribe, and the Company has agreed to issue the Convertible Bonds in an aggregate principal amount of HK$15,000,000 (subject to the Modification).

Upon full conversion of the Convertible Bonds at the Conversion Price of HK$1.68 per Conversion Share (subject to adjustments) and assuming no notice has been received from the Subscriber in respect of the Modification, a total of 8,928,571 Conversion Shares will be issued, representing approximately 0.89% of the existing issued share capital of the Company and approximately 0.88% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the General Mandate.

Assuming no notice has been received from the Subscriber in respect of the Modification, the gross proceeds and net proceeds from the issue of the Convertible Bonds will be approximately HK$15,000,000 and HK$14,500,000 respectively. The Group intends to use all the net proceeds for the working capital and repayment of the professional fee.

The Subscription and the issue of the Conversion Shares under the General Mandate are not subject to Shareholders' approval. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

Completion of the Subscription Agreement is subject to the fulfillment of the conditions precedent therein and therefore may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date:	12 May 2022
Parties:	the Company, as issuer; and
	the Subscriber, Mr. Stuart Ian Grimshaw, as subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Conditions precedent

Completion of the Subscription shall be subject to and conditional upon the following conditions:

(a) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Conversion Shares;

(b) there being no occurrence of circumstances which, in the reasonable opinion of the Subscriber, will have a material adverse effect on the financial condition, prospects, earning, business, undertaking or assets of the Company and its subsidiaries;

(c) the warranties in the Subscription Agreement remaining true, accurate and complete in all material respects and not misleading in any material respect; and

(d) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated therein having been obtained.

Each of the Subscriber and the Company shall use its best endeavours to procure the fulfillment of all the conditions precedent as soon as practicable and in any event on or before the Long Stop Date (or such other date as may be agreed by the Company and the Subscriber in writing). The Company shall forthwith notify the Subscriber by notice in writing upon the fulfillment of any of the conditions precedent and shall produce evidence in relation thereto to the Subscriber's absolute satisfaction. If the conditions precedent are not fulfilled on or before the Long Stop Date (or such other date as may be agreed by the Company and the Subscriber in writing), the Subscription Agreement shall lapse and become null and void and the parties shall be released from all obligations thereunder save for any liability arising out of any antecedent breaches thereof.

Adjustment Mechanism

Within 7 Business Days from the date of execution of the Subscription Agreement, the Subscriber may notify the Company in writing to adjust the principal amount of the Bonds to be subscribed by the Subscriber (the "**Modification**").

The principal amount of the Bonds following the Modification shall not be less than HK$10,000,000 and shall not be more than HK$20,000,000.

The parties shall enter into a supplemental agreement in respect of the Modification and all of the corresponding changes resulting from the Modification.

Such notice shall be final and conclusive and no further notice may be delivered by the Subscriber to the Company to modify the principal amount of the Bonds. In the event that a written notice is served by the Subscriber under this Clause, in addition to the amount equal to the face value of the Bonds, the Subscriber shall pay HK$1,000,000 in cash to the Company at completion of the Subscription as a non-refundable fee for making such change.

Completion of the Subscription

Completion of the Subscription will take place on the date falling on the third Business Day (or such other date as may be agreed by the Company and the Subscriber in writing) after the fulfillment of the conditions precedent pursuant to the terms of the Subscription Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Issuer:	The Company
Principal amount:	HK$15,000,000
Maturity Date:	the second anniversary of the date of issue of the Convertible Bonds (the "**Maturity Date**")
Interest:	The Convertible Bonds shall bear interest from and including the date of its issue at 2.5% per annum on the outstanding principal amount thereof. Interest shall be accrued daily on a 365 days basis and is payable in arrears due on the Maturity Date ("**Interest Payment Date**"). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. In the event that the Convertible Bonds be redeemed on or before the Maturity Date, the Interest Payment Date shall be the Business Day falling on the next day of the date of redemption of the Convertible Bonds.
Conversion Price:	The Conversion Price of HK$1.68 (subject to adjustments) represents: (a) a discount of approximately 19.6% to the closing price of HK$2.09 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and

(b) a discount of approximately 13.2% to the average closing price per Share of HK$1.936 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Conversion Price was arrived at based on arm's length negotiations between the parties with reference to the recent trading price and the prevailing capital market conditions, the funding needs and prospects of the Group's businesses.

The Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conversion Shares: Based on the initial Conversion Price of HK$1.68 per Conversion Share and assuming no notice has been received from the Subscriber in respect of the Modification, a total of 8,928,571 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds in full, which represent approximately 0.89% of the existing issued share capital of the Company and approximately 0.88% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no change in the issued share capital of the Company and subject to adjustments to the Conversion Price).

The Conversion Shares issued upon conversion of the Convertible Bonds will in all respects rank pari passu with the Shares already in issue on the conversion date.

The aggregate nominal value of 8,928,571 Conversion Shares is HK$89,285.71.

Adjustment provisions: The Conversion Price shall from time to time be adjusted upon occurrence of the following events:

(a) an alternation of nominal amount of each Share by reason of any consolidation or subdivision of Shares;

(b) an issue (other than in lieu of a cash dividend) by the Company of its Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund);

(c) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such;

(d) an offer or grant being made by the Company to the Shareholders by way of rights or options or warrants to subscribe for new Shares at a price which is less than 90% of the market price;

(e) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share initially receivable for such securities is less than 90% of the market price, or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per Share initially receivable for such securities is less than 90% of the market price;

(f) an issue being made by the Company wholly for cash of Shares at a price per Share less than 90% of the market price; and

(g) an issue being made by the Company of Shares for acquisition of assets at a total effective consideration per Share less than 90% of the market price.

Conversion period:	The Bondholder(s) shall, subject to compliance with the procedures of the Convertible Bonds, have the right at any time during the period commencing from the first anniversary of the date of issue of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the day immediately prior to and exclusive of the Maturity Date.
Redemption by the Company:	The Company may at any time before the Maturity Date by serving at least seven (7) days' prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Convertible Bond(s) (in whole or in part) at par.
Transferability:	The Bondholder may only assign or transfer the Convertible Bonds (in whole but not in part) to the transferee subject to the consent of the Company. Notwithstanding the aforesaid, the Bondholder (if a company) shall be permitted at any time to transfer the Convertible Bonds to a transferee who is a wholly owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder provided that the Convertible Bonds will be re-transferred to the Bondholder immediately upon the transferee ceasing to be a wholly owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder.
Voting:	The Bondholder will not be entitled to attend or vote at any meeting of the Company by reason only of it being the holder of the Convertible Bonds.
Listing:	No application will be made by the Company to the Stock Exchange for listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

GENERAL MANDATE

The Conversion Shares will be issued under the General Mandate, subject to the limit up to 200,000,000 Shares (representing 20% of the then issued share capital of the Company). Accordingly, the allotment and issue of the Conversion Shares is not subject to the Shareholders' approval.

As at the date of this announcement, no Share has been issued by the Company under the General Mandate.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Subscription (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement to completion of the Subscription and no notice has been received from the Subscriber in respect of the Modification) are as follows:

	As at the date of this announcement		**Immediately upon full conversion of the Convertible Bonds**	
Name of Shareholder	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Thomas Berg	510,000,000	51.0	510,000,000	50.55
Public Shareholders				
Subscriber	—	—	8,928,571	0.88
Other Public Shareholders	490,000,000	49.0	490,000,000	48.57
Total	1,000,000,000	100	1,008,928,571	100

INFORMATION OF THE SUBSCRIBER

The Subscriber is an individual investor who is experienced in investments and has extensive experience in the financial service industry, wealth management and business development in various sectors including bio-medical and digital assets. He has over 35 years of experience in running banks and financial services companies across the Americas, United Kingdom, Australia and New Zealand.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, the Subscriber does not hold any Shares.

INFORMATION ON THE GROUP

The Group is principally engaged in the designing, developing, sourcing, manufacturing and selling and distributing a full range of bags, luggage and accessories as well as medical related products, tool storage and tool accessories.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the past 12 months immediately prior to the date of this announcement.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represents a valuable opportunity to raise additional funding for the business operations of the Group and broaden the shareholder base of the Company.

The Subscriber is an experienced individual investor in various sectors including bio-medical and digital assets. The Group is expected to benefit from the relationship with the Subscriber that it will attract new business opportunities in our existing business operation and also potential new business sector. The Group is principally engaged in the designing, developing, sourcing, manufacturing and selling and distributing a full range of bags, luggage and accessories as well as medical related products, tool storage and tool accessories. As disclosed in the Company's announcement dated 6 April 2022, the Company is exploring opportunities in expanding its business scope and has entered into a memorandum of understanding with an independent third party engaged in the business of creating and selling digital assets i.e. non-fungible tokens (NFTs). To further deepen the Company's involvement in the sphere of digital assets, the Company now seeks funding to support potential projects which feature the combination of NFTs and our conventional bag and luggage products.

In addition, the Directors consider that the issue of the Convertible Bonds is an appropriate means of raising additional funds for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders and also the interest rate under the Convertible Bonds is competitive compared to the Group's existing bank loans.

The Directors consider that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming no notice has been received from the Subscriber in respect of the Modification, the gross proceeds and net proceeds from the issue of the Convertible Bonds are estimated to be approximately HK$15,000,000 and HK$14,500,000 respectively. The Company intends to use the net proceeds for the general working capital of the Group to support its existing business operations and also for the development of the Group's potential projects relating to the metaverse and NFTs.

Completion of the Subscription Agreement is subject to the fulfillment of the conditions precedent therein and therefore may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Convertible Bonds
"Business Day(s)"	any day (excluding a Saturday, a Sunday or a public holiday and any day on which a tropical cyclone warning signal no. 8 or above or a "black" rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. to 12:00 noon and is not lowered at or before 12:00 noon) on which banks in Hong Kong are generally open for business throughout their normal business hours
"Company"	Grown Up Group Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Convertible Bonds"	the fixed 2.5% coupon rate convertible bonds in the aggregate principal amount of HK$15,000,000 (subject to Modification) to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
"Conversion Price"	the conversion price of the Convertible Bonds, initially being HK$1.68 per Conversion Share (subject to adjustments)
"Conversion Rights"	the rights of the Bondholder to convert the principal amount (or any part(s) thereof) of the Convertible Bonds into Conversion Shares during the conversion period
"Conversion Shares"	Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Convertible Bonds
"Director(s)"	director(s) of the Company
"General Mandate"	the general and unconditional mandate granted to the Directors by way of an ordinary resolution of the Shareholders passed at the annual general meeting of the Company held on 25 June 2021 to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of that resolution
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	any person or company and their respective ultimate beneficial owner(s) which, 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
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on of the Stock Exchange
"Long Stop Date"	30 September 2022 or such other date as may be agreed by the Company and the Subscriber
"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
"Subscriber"	Stuart Ian Grimshaw, an Independent Third Party
"Subscription"	the subscription for the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 12 May 2022 entered into between the Company and the Subscriber in relation to the Subscription
"%"	per cent.

By order of the Board
Grown Up Group Investment Holdings Limited
Thomas Berg
Chairman and executive Director

Hong Kong, 12 May 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Thomas Berg, Mr. Morten Rosholm Henriksen, Mr. Cheng Wai Man and Ms. Shut Ya Lai; the non-executive Director of the Company is Mr. Fung Bing Ngon Johnny; and the independent non-executive Directors of the Company are Mr. Tsang Hing Suen and Mr. Wong Kai Hing.