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Ausupreme International Holdings Limited

澳至尊國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2031)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 18 February 2020 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with the Subscribers. Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total of 12,000,000 Subscription Shares (as to 3,250,000 Subscription Shares to the First Subscriber, 5,000,000 Subscription Shares to the Second Subscriber and 3,750,000 Subscription Shares to the Third Subscriber). The Subscription Shares will be allotted and issued at the Subscription Price of HK\$0.4 per Subscription Share.

The total number of 12,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 1.60% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.58% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion). The Subscription Shares will be allotted and issued under the General Mandate.

The aggregate gross proceeds of the Subscription will be HK\$4,800,000 and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$4,675,000, representing a net issue price of approximately HK\$0.39 per Subscription Share. It is proposed that the net proceeds from the Subscription will be used for general working capital of the Group.

An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares to be allotted and issued pursuant to the Subscription.

The completion of the Subscription is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreements and the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The First Subscription Agreement

Date: 18 February 2020 (after trading hours of the Stock Exchange)
Issuer: The Company
Subscriber: Yuen Shu Wah

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Subscriber is an Independent Third Party. Immediately before entering into of the First Subscription Agreement, the First Subscriber has no interests in the Shares.

The Second Subscription Agreement

Date: 18 February 2020 (after trading hours of the Stock Exchange)
Issuer: The Company
Subscriber: Chiang Lai Ping Agnes

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Subscriber is an Independent Third Party. Immediately before entering into of the Second Subscription Agreement, the Second Subscriber has no interests in the Shares.

The Third Subscription Agreement

Date: 18 February 2020 (after trading hours of the Stock Exchange)
Issuer: The Company
Subscriber: Myly Management Pty Ltd

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Third Subscriber and its ultimate beneficial owner(s) are Independent Third Parties. Immediately before entering into of the Third Subscription Agreement, neither the Third Subscriber nor its ultimate beneficial owner(s) has any interests in the Shares.

Subscription Shares

Pursuant to the First Subscription Agreement, the Company has conditionally agreed to allot and issue, and the First Subscriber has conditionally agreed to subscribe for 3,250,000 Subscription Shares.

Pursuant to the Second Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Second Subscriber has conditionally agreed to subscribe for 5,000,000 Subscription Shares.

Pursuant to the Third Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Third Subscriber has conditionally agreed to subscribe for 3,750,000 Subscription Shares.

The total number of 12,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 1.60% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.58% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion).

The aggregate nominal value of the Subscription Shares is HK\$120,000 and the market value of the Subscription Shares is HK\$5,160,000, based on the last closing price of HK\$0.43 per Share as quoted on the Stock Exchange prior to the suspension of trading in the Shares with effect from 14 October 2019.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.4 per Subscription Share represents:

- (i) a discount of approximately 7% to the last closing price of HK\$0.43 per Share as quoted on the Stock Exchange prior to the suspension of trading in the Shares with effect from 14 October 2019; and

- (ii) a discount of approximately 7% to the average closing price of approximately HK\$0.43 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the suspension of trading in the Shares with effect from 14 October 2019.

The aggregate gross proceeds of the Subscription will be HK\$4,800,000 and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$4,675,000, representing a net issue price of approximately HK\$0.39 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the last closing price of HK\$0.43 per Share as quoted on the Stock Exchange prior to the suspension of trading in the Shares with effect from 14 October 2019. The Board consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the satisfaction of the following conditions:

- (a) the Listing Committee granting the listing of and permission to deal in the Subscription Shares; and
- (b) all necessary consents and approvals required to be obtained by the Company and the Subscribers in respect of the Subscription Agreements and the transactions contemplated thereby having been obtained.

None of the above conditions precedent are waivable. In the event that the above conditions precedent are not fulfilled on or before 5:00 p.m. on 28 February 2020 (or such other time and date as may be agreed by the Company and the Subscribers), all rights, obligations and liabilities of the parties to the Subscription Agreements shall cease and determine and neither the Company nor the Subscribers shall have any claim against the other, save for any antecedent breaches of the terms under the Subscription Agreements.

Completion

Completion of the Subscription Agreements shall take place at 4:00 p.m. within three Business Days after the conditions precedent of the Subscription Agreements are fulfilled (or such other time and date as may be agreed by the Company).

Application for listing

An application will be made by the Company to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the development, marketing, sales and distribution of the branded products managed by the Group.

The aggregate gross proceeds of the Subscription will be HK\$4,800,000 and the aggregate net proceeds of the Subscription, after deduction of all relevant costs and expenses, are estimated to be approximately HK\$4,675,000, representing a net issue price of approximately HK\$0.39 per Subscription Share. It is proposed that the net proceeds from the Subscription will be used for general working capital of the Group.

The Board consider that the Subscription offers a good opportunity to raise additional funds for the Group's business operation and to strengthen the capital base and financial position of the Group and broaden the Shareholder base of the Company. In addition, upon completion of the Subscription, the public float of the Company will be restored to approximately 26.18% and hence will comply with the minimum public float requirement under Rule 8.08 of the Listing Rules.

Based on the above, the Board consider that the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscribers and that the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates 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 from the date of this announcement and up to the Completion).

Shareholders	As at the date of this announcement		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Beatitudes International Limited (<i>Note 1</i>)	562,500,000	75.00	562,500,000	73.82
Mr. Gao Yuan (<i>Note 2</i>)	75,095,000	10.01	75,095,000	9.85
<i>Public Shareholders</i>				
First Subscriber	—	—	3,250,000	0.43
Second Subscriber	—	—	5,000,000	0.66
Third Subscriber	—	—	3,750,000	0.49
Other public Shareholders	112,405,000	14.99	112,405,000	14.75
Total	<u>750,000,000</u>	<u>100.00</u>	<u>762,000,000</u>	<u>100.00</u>

Notes:

1. Beatitudes International Limited is a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 50% by Mr. Choy Chi Fai and 50% by Ms. Ho Ka Man, the spouse of Mr. Choy Chi Fai. Under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), each of Mr. Choy Chi Fai and Ms. Ho Ka Man is deemed to be interested in all the Shares held by Beatitudes International Limited.
2. As at the date of this announcement, Mr. Gao Yuan is a Shareholder holding 75,095,000 Shares, representing approximately 10.01% of the total issued share capital of the Company and is considered as a substantial shareholder of the Company (as defined under the Listing Rules). Upon completion of the Subscription, the shareholding interest of Mr. Gao Yuan will be reduced to approximately 9.85% and he will cease to be a substantial shareholder of the Company (as defined under the Listing Rules) and will be considered as a public shareholder.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

GENERAL MANDATE

The total number of 12,000,000 Subscription Shares shall be allotted and 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 20 September 2019.

Under the General Mandate, the Company is authorised to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of the aforesaid annual general meeting of the Company, which amounts to 150,000,000 new Shares. As at the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 14 October 2019 and will remain suspended until the minimum public float is restored.

The completion of the Subscription is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreements and the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Ausupreme International Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 2031)
“Completion”	the completion of the Subscription pursuant to the Subscription Agreements
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“First Subscriber”	Yuen Shu Wah
“First Subscription Agreement”	the subscription agreement dated 18 February 2020 entered into between the Company and the First Subscriber in respect of the subscription of 3,250,000 Subscription Shares
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 20 September 2019 to allot, issue and deal with new Shares up to a maximum of 20% of the total number of issued Shares as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“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 the Stock Exchange
“Second Subscriber”	Chiang Lai Ping Agnes
“Second Subscription Agreement”	the subscription agreement dated 18 February 2020 entered into between the Company and the Second Subscriber in respect of the subscription of 5,000,000 Subscription Shares
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, the First Subscriber, the Second Subscriber and the Third Subscriber
“Subscription”	subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	collectively, the First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement
“Subscription Price”	HK\$0.4 per Subscription Share
“Subscription Shares”	an aggregate of 12,000,000 new Shares to be allotted and issued by the Company to the Subscribers under the Subscription
“Third Subscriber”	Myly Management Pty Ltd
“Third Subscription Agreement”	the subscription agreement dated 18 February 2020 entered into between the Company and the Third Subscriber in respect of the subscription of 3,750,000 Subscription Shares

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

By order of the Board
Ausupreme International Holdings Limited
Choy Chi Fai
Chairman, Executive Director and Managing Director

Hong Kong, 18 February 2020

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Choy Chi Fai (Chairman and Managing Director), Ms. Ho Ka Man, Mr. Ho Chun Kit, Saxony and Mr. Au Chun Kit; and three independent non-executive Directors, namely Dr. Luk Ting Kwong, Mr. Ko Ming Kin and Dr. Wan Cho Yee.

In case of any inconsistency between the English and Chinese versions, the English text of this announcement shall prevail over the Chinese text.