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## **GLORY MARK HI-TECH (HOLDINGS) LIMITED**

**輝煌科技(控股)有限公司**

*(incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8159)**

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

**Placing Agent**



#### **THE PLACING**

On 3 June 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure on a best effort basis not less than six Placées to subscribe for up to 64,000,000 Placing Shares at the Placing Price of HK\$0.1 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Placing Shares represent (i) approximately 10% of the existing issued share capital of the Company; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price represents: (i) a discount of approximately 3.85% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on 3 June 2020, being the date of the Placing Agreement; and (ii) a discount of approximately 3.85% to the average closing price of HK\$0.104 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the gross proceeds and net proceeds from the Placing will be approximately HK\$6,400,000 and HK\$6,078,000 respectively, which will be used for general working capital of the Group.

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

**Shareholders and potential investors should note that the Completion is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

3 June 2020 (after trading hours)

### **Parties**

- (a) The Placing Agent; and
- (b) The Company

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **The Placing**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure on a best effort basis not less than six Placees to subscribe for up to 64,000,000 Placing Shares at the Placing Price of HK\$0.1.

### **Placees**

The Placing Shares will be placed to not less than six Placees which will be professional, institutional, and/or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial shareholder of the Company.

### **Placing Shares**

As at the date of this announcement, the Company has 640,000,000 Shares in issue. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the maximum Placing Shares of up to 64,000,000 Shares represent (i) approximately 10% of the existing issued share capital of the Company; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of Placing Shares.

The aggregate nominal value of the Placing Shares will be HK\$640,000.

The Placing Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$0.1 represents:

- (i) a discount of approximately 3.85% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on 3 June 2020, being the date of the Placing Agreement; and
- (ii) a discount of approximately 3.85% to the average closing price of HK\$0.104 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Placing Agreement.

The estimated expenses for the Placing are approximately HK\$322,000, comprising placing commission, and other professional fees and expenses. Assuming that all the Placing Shares could be placed successfully, the net price of each Placing Share is approximately HK\$0.095 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to current market conditions, prevailing market price and liquidity of the Shares.

The Board considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Commission**

Subject to Completion, the Placing Agent will be entitled to a commission of 3% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent (and any of its sub-agents). If the conditions precedent to the Placing Agreement are not fulfilled or waived (as the case may be) on or before the Long Stop Date (as defined below) or the Completion does not take place pursuant to the terms and conditions of the Placing Agreement, the Placing Agent shall not be entitled to any placing commission. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the placing size and the current market condition. The Directors are of the view that the placing commission payable under the Placing is fair and reasonable.

### **Conditions Precedent of the Placing Agreement**

The Placing is conditional upon the fulfillment of the following conditions:

- (a) there shall not have occurred any material breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement in any material respects;
- (b) the listing of and permission to deal in all the Placing Shares being granted (either unconditionally or subject to conditions which are acceptable to both the Company and the Placing Agent) by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked);
- (c) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- (d) the Placing Agreement not being rescinded by the Placing Agent pursuant to the terms of the Placing Agreement.

The Placing Agent may at its absolute discretion waive the condition precedent set out in paragraph (a). The parties shall use reasonable endeavours to procure the fulfillment of the above conditions. In the event any of the above conditions is not fulfilled by 19 June 2020 (or such later date as may be agreed between the parties in writing) ("**Long Stop Date**"), the obligations and liabilities of the parties shall be null and void and the parties shall be released from all rights and obligations pursuant to the Placing except, among others, (i) the Company shall remain liable for the payment of all costs and expenses referred to in the Placing Agreement already incurred or to be incurred in consequence of such termination; and (ii) any antecedent material breach of any of the obligations and liabilities under the Placing Agreement (including liabilities arising prior to such termination under the representations, warranties and undertakings referred to in the Placing Agreement).

### **Termination of the Placing**

Notwithstanding anything contained in the Placing Agreement, if any of the events set out below occur at any time on or prior to the Completion Date, the Placing Agent may rescind the Placing Agreement without any

liability to the Company:

(a) if there has come to the notice of the Placing Agent:

- (i) that any statement contained in this announcement was, when this announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or
- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute a material omission therefrom; or
- (iii) any material breach of the undertakings, warranties and representations set out in the Placing Agreement; or
- (iv) any material breach of any of the obligations imposed upon the Company under the Placing Agreement; or
- (v) any of the undertakings, warranties or representations set out in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
- (vi) any material adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or

(b) if there develops, occurs or comes into effect:

- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing; or
- (ii) 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 and which, in the reasonable opinion of the Placing Agent, would materially prejudice the success of the Placing; or
- (iii) any change in conditions of local, national or international securities markets occurs which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing; or
- (iv) any new laws or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if in the reasonable opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or materially prejudice the success of the Placing; or
- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong which would, in the reasonable opinion of the Placing Agent, materially prejudice the success of the Placing; or

- (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing.

### **Completion of the Placing**

Completion of the Placing shall take place at or before 4:00 p.m. on the Completion Date.

### **Mandate to Issue the New Shares**

The Placing Shares will be issued under the General Mandate, pursuant to which the Company is authorised to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of issued Share as at the date of the annual general meeting of the Company held on 9 May 2019, i.e. up to 128,000,000 new Shares. As at the date of this announcement, no part of the General Mandate has been utilised. Therefore, the Company is allowed to issue up to 128,000,000 Shares under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to Shareholders' approval.

### **REASON FOR THE PLACING AND USE OF PROCEEDS**

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be HK\$6,400,000 and the net proceeds from the Placing (after deducting the placing commission for the Placing and other costs, charges and expenses of the Placing) will be approximately HK\$6,078,000.

Given the financial challenges encountered by the Group amid the outbreak of the novel coronavirus (COVID-19) pandemic, the Sino-US trade war and other uncertainties and unforeseen circumstances in the global economy, it is anticipated that the Group's accounts receivables will be settled much slower, the Group's sales order from customers will come slower, in lesser quantity and with a lower margin. The Company intends to apply the net proceeds from the Placing for the general working capital of the Group.

Having considered (i) the abovementioned uncertainties in the global economy; (ii) the loss of HK\$8,699,000 of the Group for the three months ended 31 March 2020 which was attributable to, among others, the decrease in sales revenue of the Group; and (iii) the general working capital requirement of the Group, the Directors consider that the Placing represents an opportunity to raise additional fund through the equity market as well as to broaden the capital and shareholder base of the Company. Accordingly, the Board considers that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

### **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion are set out below:

	<b>As at the date of this announcement</b>		<b>Immediately after Completion (assuming all the Placing Shares have been issued and allotted)</b>	
	Number of Shares	%	Number of Shares	%
PT Design Group Holdings Limited ("PT Design") ( <i>Note 1</i> )	355,620,000	55.57	355,620,000	50.51

Modern Wealth Assets Limited ("Modern Wealth") (Note 2)	74,403,000	11.63	74,403,000	10.57
Mr. Wong Chun	31,390,000	4.9	31,390,000	4.46
Public Shareholders	178,587,000	27.9	178,587,000	25.37
Placees	-	-	64,000,000	9.09
<b>Total</b>	<b>640,000,000</b>	<b>100.00</b>	<b>704,000,000</b>	<b>100.00</b>

*Note 1: As at the date of this announcement, PT Design holds 355,620,000 Shares representing approximately 55.57% of the entire issued share capital of the Company. PT Design is indirectly wholly-owned by Mr. Wang Li Feng, the chairman and an executive Director.*

*Note 2: Mr. Pang Guo-Shi is deemed to be interested in the 74,403,000 Shares held by Modern Wealth, a company wholly-owned by Mr. Pang Guo-Shi.*

## **FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS**

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

## **GENERAL**

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

**Shareholders and potential investors should note that the completion of the Placing is subject to fulfillment of conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded 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(s)”	any day (other than a Saturday or Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business during their normal business hours
“Company”	GLORY MARK HI-TECH (HOLDINGS) LIMITED, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, whose shares are listed on GEM (Stock Code: 8159)
“Completion”	completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement

“Completion Date”	a date falling within four (4) Business Days after the day on which the conditions as set out in the Placing Agreement have been fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing) on which Completion shall take place
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended from time to time
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 9 May 2019 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of issued Share 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)”	parties who are independent of, and not connected with, the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Placee(s)”	professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties, selected and procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to not less than six Placees on a best effort basis by the Placing Agent (by itself or through its agent) pursuant to the Placing Agreement
“Placing Agent”	VMI Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 3 June 2020 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.1 per Placing Share
“Placing Share(s)”	a total of up to 64,000,000 new Shares to be placed under the Placing

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**GLORY MARK HI-TECH (HOLDINGS) LIMITED**  
**Wang Li Feng**  
*Chairman & Executive Director*

Hong Kong, 3 June 2020

*As at the date of this announcement, the executive Directors are Mr. Wang Li Feng (chairman), Mr. Yu Sanlong, Mr. Fan Xiaoling and Ms. Lee Jui-lan; the non-executive Director is Mr. Wong Chun (deputy chairman); and the independent non-executive Directors are Dr. Hon. Lo Wai Kwok SBS, MH, JP., Dr. Fong Chi Wai, Alex, Mr. Lu Yongchao, Dr. Yan Ka Shing and Dr. Feng Shen.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.glorymark.com.tw/hk/investor.htm](http://www.glorymark.com.tw/hk/investor.htm).*