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## **NOBLE ENGINEERING GROUP HOLDINGS LIMITED**

**怡康泰工程集團控股有限公司**

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

**(Stock Code: 8445)**

### **(1) PROPOSED SHARE CONSOLIDATION; AND (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE**

**Financial adviser to the Company**



**Placing Agent to the Company**



#### **PROPOSED SHARE CONSOLIDATION**

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every five (5) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.05 each. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. Currently, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

As at the date of this announcement, the authorised share capital of the Company is HK\$15,000,000 divided into 1,500,000,000 Existing Shares of HK\$0.01 each, of which 698,000,000 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no change in the number of Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$15,000,000 divided into 300,000,000 Consolidated Shares of HK\$0.05 each, of which 139,600,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

## **PROPOSED RIGHTS ISSUE**

The Board proposes, subject to, among other things, the Share Consolidation becoming effective, to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.215 per Rights Share, to raise gross proceeds of up to approximately HK\$15.0 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than from the Share Consolidation becoming effective), by way of the Rights Issue of 69,800,000 Rights Shares to the Qualifying Shareholders. The Rights Issue is not underwritten and will not be extended to the Non-Qualifying Shareholder(s) (if any).

The estimated net proceeds from the Rights Issue after deducting all necessary expenses, if fully subscribed, will be up to approximately HK\$13.1 million (assuming no change in the number of Shares in issue on or before the Record Date other than from the Share Consolidation becoming effective), which are intended to be applied in following manners: (i) approximately HK\$6.5 million for the expansion and development of the existing businesses of the Group; (ii) approximately HK\$5.5 million for future investment opportunities as may be identified from time to time; and (iii) the remaining balance of approximately HK\$1.1 million for general working capital of the Group.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

## **THE IRREVOCABLE UNDERTAKING**

As at the date of this announcement, Land Noble, being a controlling shareholder of the Company, directly holds 350,000,000 Shares (representing approximately 50.1% of the issued share capital of the Company as at the date of this announcement). Land Noble is a company which is owned as to 50% by Mr. Tse Chun Yuen (being the chairman of the Board and an executive Director) and 50% by Mr. Tse Chun Kuen (being the chief executive officer of the Company and an executive Director).

On 24 March 2021, the Company received from Land Noble the Irrevocable Undertaking, pursuant to which Land Noble has irrevocably undertaken to the Company, among other things, (i) shall not sell, transfer or otherwise dispose of the Shares held by it during the period from the date of the Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier (both dates inclusive); (ii) shall accept and subscribe, and procure its nominee(s) (if applicable) to accept and subscribe, in full for all the Rights Shares in which it is beneficially entitled under the Rights Issue on and subject to the terms and conditions of the Rights Issue provided that the total number of Rights Shares to be subscribed by Land Noble under the Rights Issue will scaled down to the extent that Land Noble and its associate(s) will not trigger a general offer obligation in accordance to note to Rule 10.26(2) of the GEM Listing Rules; and (iii) shall procure its nominee(s) (if applicable) to, lodge the PAL(s) despatched to it together with remittance for the full amount payable on acceptance in accordance with the instructions printed on the Prospectus and the PAL and, in any event, not later than the time specified therefor in the PAL.

Save for the Irrevocable Undertaking given by Land Noble, as at the date of this announcement, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

## **GEM LISTING RULES IMPLICATIONS**

### **Share Consolidation**

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

### **Rights Issue**

As the Company has not conducted any rights issues or open offer within the 12 month period immediately preceding this announcement, and the proposed Rights Issue will not increase the number of issued shares of the Company or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

## **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the necessary resolution(s) in respect of the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Monday, 12 April 2021.

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

### **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES**

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Accordingly, the Rights Issue may or may not proceed.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Friday, 30 April 2021, and the Consolidated Shares will be dealt with on an ex-rights basis from Monday, 3 May 2021.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Any Shareholder or other person dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Friday, 4 June 2021) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

## **(1) PROPOSED SHARE CONSOLIDATION**

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every five (5) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.05 each.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following:

- (i) the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- (iii) the GEM Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

The Share Consolidation will become effective on Friday, 30 April 2021, being the second Business Day immediately following the fulfillment of the above conditions.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$15,000,000 divided into 1,500,000,000 Existing Shares of HK\$0.01 each, of which 698,000,000 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no change in the number of Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$15,000,000 divided into 300,000,000 Consolidated Shares of HK\$0.05 each, of which 139,600,000 Consolidated Shares (which are fully-paid or credited as fully-paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's articles of association. No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Currently, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

### **Odd lots arrangements and matching services**

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular to be despatched to the Shareholders in relation to, among other things, the Share Consolidation.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation having become effective, Shareholders may, during the period from Friday, 30 April 2021 to Tuesday, 8 June 2021, submit the existing share certificates for the Existing Shares to the Registrar at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

The new share certificates for the Consolidated Shares will be issued in green colour in order to distinguish them from the existing yellow colour.



## **Listing and Dealings of the Consolidated Shares**

Application will be made to the GEM Listing Committee for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **REASONS FOR THE SHARE CONSOLIDATION**

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK0.01 or HK\$9,995.00, the issuer may be required by the Stock Exchange either to change the trading method or to proceed with a consolidation or splitting of its securities.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of this announcement, the closing price of each Existing Share is HK\$0.065, with a board lot size of 10,000 Existing Shares, the existing board lot value is only HK\$650, which is less than HK\$2,000.

In order to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation will bring about a corresponding upward adjustment to the share price per board lot, and increase the value of each board lot of the Consolidated Shares to more than HK\$2,000.

Accordingly, the Board believes that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

## Closure of register of members

The register of members of the Company will be closed from Thursday, 22 April 2021 to Wednesday, 28 April 2021 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of the Existing Shares will be registered during the above book closure period.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in these entities of the Company. If they are in doubt, they should consult their professional advisers.**

## (2) PROPOSED RIGHTS ISSUE

The Board proposes, subject to, among other things, the Share Consolidation becoming effective, to implement the Rights Issue with the terms set out as follows:

### Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.215 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.19 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue at the date of this announcement	:	698,000,000 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	139,600,000 Consolidated Shares (assuming no change in the number of Shares in issue up to the effective date of the Share Consolidation)
Number of Rights (Shares to be issued pursuant to the Rights Issue)	:	Up to 69,800,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than from the Share Consolidation becoming effective)



The aggregate nominal value of the Rights Shares will be up to HK\$3,490,000.

Total number of Consolidated Shares in issue upon completion of the Rights Issue	:	Up to 209,400,000 Consolidated Shares (assuming no change in the number of Shares in issue on or before the Record Date other than from the Share Consolidation becoming effective)
Number of Rights Shares undertaken to be taken up	:	Land Noble has undertaken to take up an aggregate of up to 35,000,000 Rights Shares (representing approximately 50.1% of the total Rights Shares proposed to be provisionally allotted by the Company)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$15.0 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than from the Share Consolidation becoming effective and all the Rights Shares will be taken up)

The Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

Assuming no change in the number of Shares in issue on or before the Record Date, other than from the Share Consolidation becoming effective, the aggregate 69,800,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50.0% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and approximately 33.3% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

#### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares, which do not include any Rights Shares to be provisionally allotted to Land Noble for which subscription of Rights Shares will be subject to the Irrevocable Undertaking as set out in the section headed “The Irrevocable Undertaking” in this announcement, will be placed to independent placees under the Compensatory

Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

### **The Irrevocable Undertaking**

As at the date of this announcement, Land Noble, being a controlling shareholder of the Company, directly holds 350,000,000 Shares (representing approximately 50.1% of the issued share capital of the Company as at the date of this announcement). Land Noble is a company which is owned as to 50% by Mr. Tse Chun Yuen (being the chairman of the Board and an executive Director) and 50% by Mr. Tse Chun Kuen (being the chief executive officer of the Company and an executive Director).

On 24 March 2021, the Company received from Land Noble the Irrevocable Undertaking, pursuant to which Land Noble has irrevocably undertaken to the Company, among other things, (i) shall not sell, transfer or otherwise dispose of the Shares held by it during the period from the date of the Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier (both dates inclusive); (ii) shall accept and subscribe, and procure its nominee(s) (if applicable) to accept and subscribe, in full for all the Rights Shares in which it is beneficially entitled under the Rights Issue on and subject to the terms and conditions of the Rights Issue provided that the total number of Rights Shares to be subscribed by Land Noble under the Rights Issue will be scaled down to the extent that Land Noble and its associate(s) will not trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (iii) shall procure its nominee(s) (if applicable) to, lodge the PAL(s) despatched to it together with remittance for the full amount payable on acceptance in accordance with the instructions printed on the Prospectus and the PAL and, in any event, not later than the time specified therefor in the PAL.

Save for the Irrevocable Undertaking given by Land Noble, as at the date of this announcement, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

### **The Subscription Price**

The Subscription Price of HK\$0.215 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 33.8% to the theoretical closing price of HK\$0.325 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.065 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 35.8% to the theoretical closing price of approximately HK\$0.335 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.067 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iii) a discount of approximately 38.6% to the theoretical closing price of HK\$0.350 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.070 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 25.3% to the theoretical ex-rights price of approximately HK\$0.288 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.065 per Existing Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 11.9%, represented by the theoretical diluted price of approximately HK\$0.295 per Consolidated Share to the benchmarked price of approximately HK\$0.335 per Consolidated Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.065 per Existing Share and the average

of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of approximately HK\$0.067 per Existing Share).

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in this announcement. The Directors consider that the terms of the Rights Issue, including the Subscription Price which has been set a discount to the recent closing prices of the Share with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Rights Shares**

The Rights Shares (when allotted, fully-paid or credited as fully-paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Consolidated Shares (together with the relevant share certificate(s)) must be lodged with the Registrar at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Tuesday, 4 May 2021.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Friday, 30 April 2021, and the Consolidated Shares will be dealt with on an ex-rights basis from Monday, 3 May 2021.

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

#### **Closure of register of members**

The register of members of the Company will be closed from Wednesday, 5 May 2021 to Tuesday, 11 May 2021 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Consolidated Shares will be registered during the above book closure period.

#### **Basis of provisional allotments**

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

#### **Rights of Overseas Shareholders (if any)**

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will comply with Rule 17.41(1) of the GEM Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended

to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid *pro rata* (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

**Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. Accordingly, on 24 March 2021 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 4 June 2021, acquires for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.



Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

***Placing Agreement for the Unsubscribed Rights Shares and NQS Unsold Rights Shares***

Details of the Placing Agreement are summarised as follows:

Date	:	24 March 2021 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Gransing Securities Co., Limited was appointed as the Placing Agent to procure, on a best efforts basis, places to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties.

Placing Period	:	The period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the fifth Business Day after the Latest Time for Acceptance.
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Commission and expenses	:	Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares	:	The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
Placees	:	<p>The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).</p> <p>For the avoidance of doubt, no placee shall become a substantial shareholder of the Company.</p>
Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank <i>pari passu</i> in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
Conditions of the Placing Agreement	:	<p>The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:</p> <ul style="list-style-type: none"> <li>(i) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;</li> <li>(ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and</li> </ul>

- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof prior to such termination).

The engagement between the Company and the Placing Agent of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole after taking into account the following:

- (i) the arrangements are in compliance with the requirements under Rule 10.31(1)(b) of the GEM Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over

the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company;

- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the placing Shares. The Placing Agent and its ultimate beneficial owner(s) (a) are not Shareholder; and (b) are Independent Third Parties; and
- (iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company.

### **Certificates of the Rights Shares and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Friday, 11 June 2021 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares (if any) are expected to be posted on or before Friday, 11 June 2021, by ordinary post to the applicants, at their own risk, to their registered addresses.

### **Fractional entitlement to the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

### **Taxation**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

## **Application for listing of the Rights Shares**

The Company will apply to the GEM Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid Rights Shares shall have the same board lot size as the Consolidated Shares (i.e. 10,000 Consolidated Shares in one board lot).

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (1) the Share Consolidation having becoming effective;
- (2) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (3) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus Documents (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provision) Ordinance;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date; and

- (5) compliance with and performance of all undertakings and obligations of Land Noble under the Irrevocable Undertaking in all material respects.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled on or before Friday, 4 June 2021 or such later date as may be considered by the Company, the Rights Issue will not proceed.

## **REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in the provision of wet trade works services.

The estimated net proceeds from the Rights Issue after deducting all necessary expenses, if fully subscribed, will be up to approximately HK\$13.1 million (assuming no change in the number of Shares in issue on or before the Record Date other than from the Share Consolidation becoming effective), which are intended to be applied in following manners:

The Company intends to apply the net proceeds of approximately HK\$13.1 million from the proposed Rights Issue as follows:

- (i) approximately HK\$6.5 million for the expansion and development of the existing businesses of the Group;
- (ii) approximately HK\$5.5 million for future investment opportunities as may be identified from time to time; and
- (iii) the remaining balance of approximately HK\$1.1 million for general working capital of the Group.

As disclosed in the interim report of the Company for the six months ended 30 September 2020 (the “**IR Report**”), the Group will continue to improve its operating efficiency and profitability of business. The Group will also proactively seek opportunities to expand its customer base and market share and undertake more wet trades projects which will enhance value to the Shareholders. It is the industry norm that the Group will incur upfront expenses (including subcontracting charges, payment for purchase of materials and staff costs) at the early stage of a project before receiving first payment from the customers, due to the fact that there are time lags between making payment to the suppliers and subcontractors of the Group for the projects and receiving progress payment from the customers. During the period from December 2020 to January 2021, the Group has secured three projects (the “**Projects**”): (i) one at Sham Shui Po (the “**Project A**”) with a contract sum of approximately HK\$10.3 million and estimated to be completed in March 2022; (ii) one at Ma On Shan (the “**Project B**”) with contract sum of



approximately HK\$20.7 million and estimated to be completed in May 2022; and (iii) one at Wong Tai Sin (the “**Project C**”) with a contract sum of approximately HK\$24.7 million and estimated to be completed in July 2022. With reference to the payment schedules, the net upfront costs of Project A, Project B and Project C are estimated to be approximately HK\$0.7 million, HK\$1.9 million and HK\$3.9 million respectively, and shall be settled during the period between May 2021 to September 2021. The Group intends to apply net proceeds from the Rights Issue of approximately HK\$6.5 million for settling the upfront costs of the Projects.

Due to the prolonged of novel coronavirus (COVID-19), progress of certain construction projects were being delayed. According to the IR Report, the Group recorded a consolidated net loss of approximately HK\$4.5 million for the six months ended 30 September 2020 as compared to a consolidated net loss of approximately HK\$1.5 million of the corresponding period in 2019. Under such challenging circumstances, it is the business strategy of the Group to explore other business opportunities from time to time to diversify its existing business portfolio in order to broaden its source of income and provide a better return to the Shareholders. The Group intends to apply net proceeds from the Rights Issue of approximately HK\$5.5 million for undertaking a potential demolition work (the “**Potential Work**”) under an urban renewal project in Longgang District, Shenzhen, the PRC. Pursuant to the Potential Work, the Group will be responsible for demolishing existing buildings in a community located in Longgang District, Shenzhen, the PRC. The Board has been discussing with the Independent Third Party for the Potential Work since January 2021. It is expected that the Potential Work will be commenced in April 2021. As at the date of this announcement, such discussion is at a preliminary stage only and no agreement, arrangement or understanding relating to the Potential Work has been entered into by the Group. In the event the Group enters into any agreement or contract regarding any investment and/or acquisition with the aforementioned third party, the Company will make such further announcements as and when appropriate in accordance with the GEM Listing Rules.

In order to cope with the Potential Work, related demolition machineries, professional consultants and manpower are required for project execution and project management. As such, the Group intends to apply net proceeds from the Rights Issue of approximately HK\$5.5 million for leasing of relevant machineries, engagement of professional consultant and additional manpower for the Potential Work. The Board considers that the Potential Work will be an opportunity for the Group to expand its geographical coverage beyond the Hong Kong market to the PRC market, which enables the Group to enhance its further development. Demolition is one aspect of the construction industry. The Board is of the view that leverage on diversification of its existing business portfolio into demolition business in the PRC, the Group is able to expand its customer base by broadening its range of construction services being offered. In order to capture the market opportunities and to bring the benefits to the Group, the Board considers that it is essential for the Group to maintain sufficient level of funds to cover the operating cash flow for the Potential Work.

In the event that the Group cannot obtain the Potential Work, the Board intends to utilise this portion of the proceeds for other similar investment opportunities as may be identified from time to time and/or for the expansion and development of the existing businesses of the Group. Save and except for the aforesaid, as at the date this announcement, the Board has no intention to scale down or introduce any changes to the existing businesses of the Group.

Given the bank and cash balances of the Group as at 30 September 2020 was only approximately HK\$6.9 million and the Group recorded net cash outflow from operating activities of approximately HK\$30.2 million for six months ended 30 September 2020, the Directors consider that it will be beneficial to the Group to have additional working capital for its business operation.

The Board is of the view that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments when suitable opportunities arise. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up in full the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

The Board has considered other alternative means of fund raising before resolving to the Rights Issue, including but not limited to bank borrowings and issue of new shares. The Board considers that bank borrowings would result in additional interest burden and higher gearing ratio of the Group which is not beneficial to the Group and the Rights Issue is more prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Board considers that equity financing methods such as placing or subscription of new shares is not a better alternative. The Company has conducted placing of new Shares on 12 November 2020 and such placing was completed on 27 November 2020. The Company has utilised approximately 81.7% of the entire general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 7 August 2020 to allot and issue new Shares. If the Company conducts further placing of new Shares, in order to raise the net proceeds of approximately HK\$13.1 million, the Company will need to obtain Shareholders' approval for the refreshment of general mandate limit at an extraordinary general meeting of the Company or conduct further placing of new Shares by way of specific mandate.

In view of the above, the Board considers that raising funds by way of the Rights Issue is more cost effective, efficient and beneficial to the Company and the Shareholders as a whole as compared to raising fund by other means.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, assuming that there is no change in the number of Shares in issue on or before the Record Date, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective but before completion of the Rights Issue; (iii) immediately after completion of the Rights Issue assuming full acceptance by the Shareholders; (iv) immediately after completion of the Rights Issue (assuming none of the Shareholders (other than Land Noble) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent); and (v) immediately after completion of the Rights Issue (assuming none of the Shareholders (other than Land Noble) has taken up entitled Rights Shares nor any of Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent) is as follows:

	Immediately after completion of the Rights Issue									
	Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue					Assuming none of the Shareholders (other than Land Noble) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent				
	As at the date of this announcement		Assuming all Shareholders take up their respective allotment of Rights Shares in full		Assuming none of the Shareholders (other than Land Noble) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent		Assuming none of the Shareholders (other than Land Noble) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent		Assuming none of the Shareholders (other than Land Noble) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent	
	No. of Existing Shares	Approx. % (Note 1)	No. of Consolidated Shares	Approx. % (Note 1)	No. of Consolidated Shares	Approx. % (Note 1)	No. of Consolidated Shares	Approx. % (Note 1)	No. of Consolidated Shares	Approx. % (Note 1)
Land Noble (Note 2)	350,000,000	50.1	70,000,000	50.1	105,000,000	50.1	105,000,000	50.1	105,000,000	60.1
Independent placees (Note 3)	—	—	—	—	—	—	34,800,000	16.6	—	—
Other public Shareholders	348,000,000	49.9	69,600,000	49.9	104,400,000	49.9	69,600,000	33.3	69,600,000	39.9
<b>Total</b>	<b>698,000,000</b>	<b>100</b>	<b>139,600,000</b>	<b>100.00</b>	<b>209,400,000</b>	<b>100</b>	<b>209,400,000</b>	<b>100.00</b>	<b>174,600,000</b>	<b>100.00</b>

Notes:

- (1) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
- (2) Land Noble is beneficially owned as to 50% by Mr. Tse Chun Yuen (being the chairman of the Board and an executive Director) and 50% by Mr. Tse Chun Kuen (being the chief executive officer of the Company and an executive Director).
- (3) The independent placees are professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated under the Placing Agreement.

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY FOR THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of proceed	Actual use of proceeds
12 November 2020	Placing of new Shares under general mandate	Approximately HK\$4.73 million	For general working capital of the Group	For general working capital of the Group

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Rights Issue is set out below:

Event	Date and time
Expected date of despatch of the circular in relation to the Share Consolidation and the notice of the EGM and proxy form . . . . .	Monday, 12 April 2021
Latest time for lodging transfer of the Shares in order to be qualified for attendance and voting at the EGM . . . . .	4:30 p.m. on Wednesday, 21 April 2021
Closure of register of members of the Company for transfer of the Shares to determine the right to attend and vote at the EGM (both days inclusive) . . . . .	Thursday, 22 April 2021 to Wednesday, 28 April 2021
Latest time for return of proxy form of the EGM (not less than 48 hours prior to time of the EGM) . . . . .	9:00 a.m. on Monday, 26 April 2021
Record date for attendance and voting at the EGM . . . . .	Wednesday, 28 April 2021
Expected date and time of the EGM . . . . .	9:00 a.m. on Wednesday, 28 April 2021
Announcement of results of the EGM . . . . .	Wednesday, 28 April 2021
Register of members of the Company re-opens . . . . .	Thursday, 29 April 2021

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and Rights Issue.**

<b>Event</b>	<b>Date and time</b>
Effective date of the Share Consolidation . . . . .	Friday, 30 April 2021
Commencement of dealings in the Consolidated Shares. . . . .	9:00 a.m. on Friday, 30 April 2021
Original counter for trading in the Existing Shares, in board lots of 10,000 Shares (in the form of existing share certificates) temporarily closes . . . . .	9:00 a.m. on Friday, 30 April 2021
Temporary counter for trading in the Consolidated Shares, in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m. on Friday, 30 April 2021
First day for the free exchange of existing share certificates of the Shares into new share certificates of the Consolidated Shares commences . . . . .	Friday, 30 April 2021
Last day of dealings in the Consolidated Shares on a cum-rights basis for the Rights Issue . . . . .	Friday, 30 April 2021
First day of dealings in the Consolidated Shares on ex- rights basis for the Rights Issue . . . . .	Monday, 3 May 2021
Latest time for lodging transfer of the Consolidated Shares to qualify for the Rights Issue . . . . .	4:30 p.m. on Tuesday, 4 May 2021
Register of members of the Company closes to determine the entitlements to the Rights Issue (both days inclusive) . . . . .	Wednesday, 5 May 2021 to Tuesday, 11 May 2021
Record Date for the Rights Issue . . . . .	Tuesday, 11 May 2021
Register of members of the Company re-opens . . . . .	Wednesday, 12 May 2021
Despatch of the Prospectus Documents. . . . .	Wednesday, 12 May 2021
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens. . . . .	9:00 a.m. on Friday, 14 May 2021

Event	Date and time
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences . . . . .	9:00 a.m. on Friday, 14 May 2021
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares. . . . .	9:00 a.m. on Friday, 14 May 2021
First day and time of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Friday, 14 May 2021
Latest time for splitting the PALs . . . . .	4:30 p.m. on Tuesday, 18 May 2021
Last day and time of dealings in nil-paid Rights Shares . . . . .	4:00 p.m. on Monday, 24 May 2021
Latest time for acceptance of and payment for the Rights Shares. . . . .	4:00 p.m. on Thursday, 27 May 2021
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements . . . . .	Monday, 31 May 2021
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent. . . . .	Tuesday, 1 June 2021
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent . . . . .	4:00 p.m. on Thursday, 3 June 2021
Latest Time for Termination . . . . .	4:00 p.m. on Friday, 4 June 2021
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares. . . . .	4:00 p.m. on Friday, 4 June 2021



Event	Date and time
Temporary counter for trading in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes . . . . .	4:10 p.m. on Friday, 4 June 2021
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) ends. . . . .	4:10 p.m. on Friday, 4 June 2021
Latest time for free exchange of existing share certificates for new share certificates for the Consolidated Shares. . . . .	4:00 p.m. on Tuesday, 8 June 2021
Announcement of the results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements). . . . .	Thursday, 10 June 2021
Despatch of share certificates for fully-paid Rights Shares . . . . .	Friday, 11 June 2021
Despatch of refund cheques, if any, for wholly or partially unsuccessful applications for Rights Shares . . . . .	Friday, 11 June 2021
Commencement of dealings in the fully-paid Rights Shares . . . . .	9:00 a.m. on Tuesday, 15 June 2021
Payment of Net Gain to relevant No Action Shareholders (if any) . . . . .	Tuesday, 22 June 2021

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Share Consolidation and Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

## **EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if a typhoon signal No. 8 (or above), “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region, or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. Announcement will be made by the Company in such event.

## **GEM LISTING RULES IMPLICATIONS**

### **Share Consolidation**

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

### **Rights Issue**

As the Company has not conducted any rights issues or open offer within the 12 month period immediately preceding this announcement, and the proposed Rights Issue will not increase the number of issued shares of the Company or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

## **GENERAL**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the necessary resolution(s) in respect of the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, is expected to be despatched on Monday, 12 April 2021 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

## **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nilpaid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Accordingly, the Rights Issue may or may not proceed.**

**It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Friday, 30 April 2021, and the Consolidated Shares will be dealt with on an ex-rights basis from Monday, 3 May 2021.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

**Any Shareholder or other person dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Friday, 4 June 2021) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

## DEFINITIONS

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

“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Noble Engineering Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on GEM (stock code: 8445)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 10.31(1) (b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed Share Consolidation

“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning as defined in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Irrevocable Undertaking”	the irrevocable undertaking dated 24 March 2021 executed by Land Noble in favour of the Company, the details of which are set out in subsection headed “The Irrevocable Undertaking” under the section headed “Proposed Rights Issue”
“Land Noble”	Land Noble Holdings Limited, a company incorporated in the British Virgin Islands and is owned as to 50% by Mr. Tse Chun Yuen (being the chairman of the Board and an executive Director) and 50% by Mr. Tse Chun Kuen (being the chief executive officer of the Company and an executive Director). Land Noble is a controlling shareholder of the Company
“Last Trading Day”	24 March 2021, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 27 May 2021 or other time or date as may be agreed in writing between the Company, being the latest time for acceptance of, and payment for, the Rights Shares
“Latest Time for Termination”	4:00 p.m. on the first Business Day after the latest time for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent, being the latest time to terminate the Placing Agreement

“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholders (excluding Land Noble) who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Gransing Securities Co., Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO



“Placing Agreement”	the placing agreement dated 24 March 2021 and entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance and ending on 4:00 p.m. on the fifth Business day after the Latest Time for Acceptance
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Taiwan, Hong Kong and the Macau Special Administrative Region
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Wednesday, 12 May 2021 or such other date as the Company may determine, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Tuesday, 11 May 2021 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Link Market Services (Hong Kong) Pty Limited at Suite 1601, 16/F., Central Tower, 28 Queen’s Road Central, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	69,800,000 Consolidated Shares to be allotted and issued pursuant to the Rights Issue

“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) (as the case may be)
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Consolidation”	the consolidation of every five (5) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.05 each
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.215 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Land Noble for which subscription of Rights Shares will be subject to the Irrevocable Undertaking as set out in the section headed “Irrevocable Undertaking” in this announcement
“%”	per cent.

By order of the Board  
**Noble Engineering Group Holdings Limited**  
**Tse Chun Yuen**  
*Chairman and executive Director*

Hong Kong, 24 March 2021

*As at the date of this announcement, the executive Directors are Mr. Tse Chun Yuen, Mr. Tse Chun Kuen and Mr. Harilela Mahesh, the non-executive Director is Mr. U Keng Tin, and the independent non-executive Directors are Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai.*

*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 website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and will be published on the Company’s website at [www.nobleengineering.com.hk](http://www.nobleengineering.com.hk).*