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BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED
寶峰時尚國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1121)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
SUBSCRIPTION OF CONVERTIBLE BONDS
UNDER GENERAL MANDATE
AND RESUMPTION OF TRADING

Reference is made to the announcement of Baofeng Modern International Holdings Company Limited (the “**Company**”) dated 20 April 2021 in relation to the subscription for the Convertible Bonds under General Mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings given to them in the Announcement.

The Board announces that on 21 April 2021, the Company and the Subscriber entered into a supplemental agreement to the Subscription Agreement (“**Supplemental Subscription Agreement**”) and agreed to (i) revise the principal amount of the Convertible Bonds to be subscribed by the Subscriber from HK\$100,000,000 to HK\$50,000,000; (ii) revise the initial Conversion Price from HK\$6.11 per Conversion Share to HK\$6.38 per Conversion Share (subject to adjustments); and (iii) withdraw the right for the Subscriber to notify the Company in writing to reduce the principal amount of the Convertible Bonds to be subscribed by the Subscriber.

CONVERSION PRICE

The revised Conversion Price of HK\$6.38 (subject to adjustments):

- (i) equals to the closing price of HK\$6.38 per Share as quoted on the Stock Exchange on 20 April 2021 (the “**Last Trading Date**”), being the date of the Subscription Agreement and the last trading date immediately prior to the date of the Supplemental Subscription Agreement; and
- (ii) represents a premium of approximately 15.25% over the average closing price per Share of HK\$5.536 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date.

The revised Conversion Price was arrived at based on arm’s length negotiations between the parties with reference to the recent trading price and trading volume of the Shares, the existing capital market conditions and the prospects of the Group’s businesses. The Directors consider that the revised Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CONVERSION SHARES

Based on the revised initial Conversion Price of HK\$6.38 per Conversion Share and the revised principal amount of the Convertible Bonds of HK\$50,000,000, a total of 7,836,990 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds in full, which represent approximately 0.50% of the existing issued share capital of the Company and approximately 0.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

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

The aggregate nominal value of 7,836,990 Conversion Shares is US\$78,369.90.

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

The Conversion Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 297,371,921 Shares. As at the date of this announcement, the General Mandate has been utilized as to 20,000,000 Shares and 57,000,000 Shares have been issued under the Share Subscription and the Placing respectively on 19 April 2021. As at the date of this announcement, the remaining balance of the General Mandate is 220,371,921. The General Mandate is sufficient for the allotment and issue of the Conversion Shares. As such, the allotment and issue of the Conversion Shares is not subject to the Shareholders’ approval at a general meeting of the Company. The 7,836,990 Conversion Shares constitute approximately 2.64% of the General Mandate.

USE OF PROCEEDS OF THE SUBSCRIPTION

The gross proceeds of the Subscription are approximately HK\$50,000,000. The net proceeds of the Subscription are approximately HK\$49,780,000 after deducting the relevant expenses for the Subscription. The Board intends to use the net proceeds of the Subscription for the development of the photovoltaic and related business. The net Conversion Price after deducting the relevant expenses for the Subscription is approximately HK\$6.35 per Conversion Share, assuming 7,836,990 Conversion Shares are issued at the Conversion Price of HK\$6.38 per Conversion Share.

Save for the above, all other terms and conditions of the Subscription Agreement and the Convertible Bonds as disclosed in the Announcement shall remain in full force and effect.

The Directors consider that the terms of the Supplemental Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement to completion of the Subscription) are as follows:

Shareholders	As at the date of this announcement		Immediately upon completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Best Mark International Limited (Note 1)	240,720,365	15.36	240,720,365	15.28
Total Shine Investments Limited (Note 2)	233,155,792	14.88	233,155,792	14.80
Bluestone Technologies (Cayman) Limited (Note 3)	220,000,000	14.04	220,000,000	13.97
Leung Tsz Chung (Note 4)	6,000,000	0.38	6,000,000	0.38
<i>Public Shareholders</i>				
Subscriber	–	–	7,836,990	0.50
Other public Shareholders	867,307,451	55.34	867,307,451	55.07
Total	<u>1,567,183,608</u>	<u>100.00</u>	<u>1,575,020,598</u>	<u>100.00</u>

Notes:

1. Best Mark International Limited is wholly owned and controlled by Mr. Sze Ching Bor.
2. Total Shine Investments Limited is wholly owned and controlled by Ms. Lin Weihuan, an non-executive Director.
3. Bluestone Technologies (Cayman) Limited is wholly owned and controlled by Mr. Zhuang Chaohui.
4. Mr. Leung Tsz Chung is an executive Director.

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

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 21 April 2021 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 22 April 2021.

On behalf of the Board
Baofeng Modern International Holdings Company Limited
Leung Tsz Chung
Chairman

Hong Kong, 21 April 2021

As at the date of this announcement, the executive Directors are Mr. Leung Tsz Chung, Mr. Zheng Jingdong and Dr. Xu Zhi; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Professor Zhao Jinbao, Mr. Chen Shaohua and Ms. An Na.