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AFFLUENT PARTNERS HOLDINGS LIMITED

錢唐控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1466)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



金利豐證券
KINGSTON SECURITIES

Kingston Securities Limited

On 1 September 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 53,272,000 Placing Shares at the Placing Price of HK\$0.103 per Placing Share to not less than six Placees who are professional, institutional or other investors that are third parties independent of the Company and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 53,272,000 Placing Shares under the Placing represents (i) approximately 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.103 per Placing Share represents (i) a discount of approximately 19.53% to the closing price of HK\$0.128 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.03% to the average closing price of approximately HK\$0.127 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

* For identification purposes only

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$5.5 million and approximately HK\$5.2 million, respectively.

The Company intends to apply the net proceeds from the Placing towards the partial repayment of the Group's loan and accrued interests of approximately HK\$1 million. The remaining net proceeds from the Placing will be used for general working capital of the Group.

The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, and the Placing will strengthen the Group's financial position, broaden the Company's shareholder base and is in the interests of the Company and the Shareholders as a whole.

Given that completion of the Placing, which is subject to fulfillment of the conditions under the Placing Agreement, may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

1 September 2021 (after trading hours)

Parties

Issuer: The Company

Placing Agent: Kingston Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Placing

The Placing Agent has conditionally agreed to place, or procure the placing of, up to 53,272,000 Placing Shares at the Placing Price of HK\$0.103 per Placing Share on a best efforts basis and will receive a placing commission of 2.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares placed by the Placing Agent (i.e. the gross proceeds from the Placing).

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

Placees

The Placing Agent will place the Placing Shares to professional, institutional or other investors that are third parties independent of the Company and its connected persons. It is expected that the Placing Shares will be placed to not less than six Placees.

Number of Placing Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 53,272,000 Placing Shares under the Placing represents approximately 20.00% of the issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital as enlarged by the issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,065,440.

Placing Price

The Placing Price is HK\$0.103 per Placing Share which represents:

- (a) a discount of approximately 19.53% to the closing price of HK\$0.128 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 19.03% to the average closing price of approximately HK\$0.127 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions.

Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Board at the AGM held on 26 August 2021 pursuant to which the Board is authorised to allot, issue and deal with up to 53,275,392 Shares. As at the date of this announcement, the Company had not utilised the General Mandate and the maximum number of 53,272,000 Placing Shares under the Placing represents approximately 99.99% of the entire General Mandate.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

Ranking of Placing Shares

The Placing Shares under the Placing will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Application for listing of the Placing Shares

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

Conditions precedent

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares (and such listing and permission not subsequently being revoked); and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure events as mentioned below.

If the above conditions are not satisfied and/or waived (other than condition (i) which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on 23 September 2021, being the fifteenth business day after the date of the Placing Agreement, or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the other (save for any antecedent breaches of the Placing Agreement).

Completion

Completion of the Placing will take place within four (4) Business Days after the fulfilment of the conditions as set out above or such other date to be agreed between the Company and the Placing Agent in writing (the “**Completion Date**”).

Termination of the Placing Agreement

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any changes in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any natures whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is

linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

Pursuant to the Placing Agreement, if, at or prior to 9:00 a.m. on the Completion Date,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the any announcement(s) in relation to the Placing, if applicable; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, in material respects, if repeated and the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving notice pursuant to the paragraph above, all obligations of the Company or the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party of the Placing Agreement in respect of any matter arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (i) the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and (ii) the operation of strategic investment and financial services segment, with the objective to include investments in real estate agency business and real estate investment funds and other potential investment opportunities.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$5.5 million and approximately HK\$5.2 million, respectively. The net placing price per Placing Share will be approximately HK\$0.099.

The Company intends to apply the net proceeds from the Placing towards the partial repayment of the Group's loan and accrued interests of approximately HK\$1 million. The remaining net proceeds from the Placing will be used for general working capital for the Group.

The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, and the Placing will strengthen the Group's financial position, broaden the Company's shareholder base and is in the interests of the Company and the Shareholders as a whole.

The Board will from time to time review the Company's financial position and will not rule out the possibility that the Company may conduct further equity fund raising activities to support the continued operations of the Group, but there is no concrete plan as at the date of this announcement.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity in the twelve months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
7 January 2021	Placing of new Shares under general mandate	Approximately HK\$4.9 million	Partial repayment of the Group's loan and accrued interests of approximately HK\$3.8 million due on 12 January 2021 and the remaining used for general working capital for the Group	The proceeds were fully utilised as intended.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PLACING

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

Shareholders	(i) As at date of this announcement		(ii) Immediately upon completion of the Placing	
	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i> (Note 2)
Pacific Wish Limited (Note 1)	84,088,691	31.57	84,088,691	26.31
The Placees	—	—	53,272,000	16.67
Other public Shareholders	<u>182,288,273</u>	<u>68.43</u>	<u>182,288,273</u>	<u>57.02</u>
Total	<u><u>266,376,964</u></u>	<u><u>100.00</u></u>	<u><u>319,648,964</u></u>	<u><u>100.00</u></u>

Notes:

- 84,088,691 shares were beneficially owned by Pacific Wish Limited, which was in turned beneficially owned by Mr. Chan Vincent Wing Sing as to 50% and Ms. Hui Ka Man Emily as to 50%.
- The percentages are subject to rounding error.

Given that completion of the Placing, which is subject to fulfillment of the conditions under the Placing Agreement, may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 26 August 2021
“Board”	the board of Directors

“Business Day(s)”	any day on which banks in Hong Kong are open for business (other than Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“Company”	Affluent Partners Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1466)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM to allot, issue and deal with up to 20% of the then issued Shares (i.e. 53,275,392) as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 53,272,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 1 September 2021 in relation to the Placing
“Placing Price”	HK\$0.103 per Placing Share

“Placing Shares”	up to 53,272,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Affluent Partners Holdings Limited
Cheng Chi Kin
Chairman and Executive Director

Hong Kong, 1 September 2021

As at the date of this announcement, the Board comprises Mr. Cheng Chi Kin (Chairman), Mr. Leung Alex and Mr. Cheung Sze Ming as executive Directors; and Mr. Lee Kin Keung, Mr. Chiu Sin Nang, Kenny and Mr. Dong Bo, Frederic as independent non-executive Directors.