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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)

**(I) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1)
RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE; AND
(II) ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS**

Underwriter to the Rights Issue



Financial adviser to the Company



Reference is made to the prospectus of the Company dated 19 April 2022 (the “**Prospectus**”) in relation to the Rights Issue on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Prospectus.

* For identification purpose only

RESULTS OF THE RIGHTS ISSUE

The Board announces that as at 4:00 p.m. on Wednesday, 4 May 2022, being the latest time for acceptance of and payment for the Rights Shares and application of and payment for excess Rights Shares, a total of 18 valid acceptances and applications had been received for a total of 292,798,833 Rights Shares, which comprise:

- (i) a total of 9 valid acceptances for provisional allotments under the PALs in respect of a total of 159,587,737 Rights Shares, representing approximately 49.93% of the total number of Rights Shares available under the Rights Issue; and
- (ii) a total of 9 valid applications for excess Rights Shares under the EAFs in respect of a total of 133,211,096 Rights Shares, representing approximately 41.67% of the total number of Rights Shares available under the Rights Issue.

In aggregate, the valid applications and acceptances represented approximately 91.60% of the total number of 319,648,964 Rights Shares available for subscription under the Rights Issue.

Based on the above acceptance and application results, the Rights Issue was under-subscribed by 26,850,131 Rights Shares, representing approximately 8.40% of the total number of Rights Shares available for subscription under the Rights Issue.

Excess Rights Shares

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the 133,211,096 excess Rights Shares to such applicants in full and therefore, no refund cheques for wholly or partially unsuccessful applications for excess Rights Shares will be posted.

Underwriting Agreement

As all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Thursday, 5 May 2022, the Underwriting Agreement became unconditional at 4:00 p.m. on Thursday, 5 May 2022.

As a result of the under subscription of the Rights Issue and in accordance with the terms of the Underwriting Agreement, the Underwriter has procured subscribers to subscribe for 26,850,131 unsubscribed Rights Shares, representing approximately 8.40% of the total number of Rights Shares available for subscription under the Rights Issue. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all subscribers procured by the Underwriter are Independent Third Parties.

Effects of the Rights Issue on the shareholding structure of the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

| Shareholders | Immediately before completion of the Rights Issue | | Immediately after completion of the Rights Issue | |
|--|--|--|---|--|
| | <i>No. of Shares</i> | <i>Approximate % of total no. of Shares in issue</i> | <i>No. of Shares</i> | <i>Approximate % of total no. of Shares in issue</i> |
| Pacific Wish Limited (<i>Note 1</i>) | 84,088,691 | 26.31 | 84,088,691 | 13.15 |
| Public Shareholders | | | | |
| Other Shareholders | 235,560,273 | 73.69 | 528,359,106 | 82.65 |
| Subscribers procured by the Underwriter (<i>Note 2 and 3</i>) | <u>—</u> | <u>—</u> | <u>26,850,131</u> | <u>4.20</u> |
| Subtotal of the public Shareholders | <u>235,560,273</u> | <u>73.69</u> | <u>555,209,237</u> | <u>86.85</u> |
| Total | <u>319,648,964</u> | <u>100.00</u> | <u>639,297,928</u> | <u>100.00</u> |

Notes:

1. The 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%.
2. As at the date of this announcement, the Underwriter and its ultimate beneficial owners are Independent Third Parties.
3. The Underwriter confirmed that (i) each of the subscribers procured by the Underwriter is Independent Third Parties; (ii) none of the subscribers procured by the Underwriter, together with any party acting in concert (within the meaning of the Takeovers Code) with it, holds 10% or more voting rights of the Company upon completion of the Rights Issue; and (iii) the public float requirements under the Listing Rules are fulfilled by the Company upon completion of the Rights Shares.

Despatch of share certificate for the Rights Shares

Share certificates for all fully-paid Rights Shares are expected to be despatched on or before Friday, 13 May 2022 by ordinary post to those entitled thereto, at their own risk, to their registered addresses.

Use of proceeds

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$32.9 million. The net proceeds from the Rights Issue will be applied in accordance with the proposed use of proceeds set out in the section headed “Letter from the Board — Reasons for and Benefits of the Proposed Rights Issue and Intended Use of Proceeds” in the Prospectus as to:

- (i) approximately HK\$27.2 million, for repayment of the Group’s loan (*Note*); and
- (ii) approximately HK\$5.7 million, for general working capital of the Group.

Note: The loan consist (i) a loan from Kingston Finance Limited (“KFL”) with outstanding principal of HK\$25 million and accruals of interest of approximately HK\$1.0 million due in July 2022 (“Loan A”); (ii) a loan from KFL with outstanding principal of HK\$3.8 million and accruals of interest of approximately HK\$0.1 million due in January 2023 (“Loan B”) and (iii) a loan from KFL with outstanding principal of HK\$1.0 million and accruals of interest of approximately HK\$0.04 million due in May 2022 (“Loan C”). As disclosed in the interim report of the Company for the six months ended 30 September 2021, the respective balances of Loan A, Loan B and Loan C were approximately HK\$28 million, nil balances and nil balances, respectively. Loan A, Loan B and Loan C were originated on 22 January 2021, 26 January 2022 and 8 February 2022 and the loan size are HK\$28 million, HK\$3.8 million and HK\$1 million respectively. The purposes of Loan A, Loan B and Loan C were used as replacing for previous loans, general working capital and repayment of interest of Loan A, respectively.

Commencement of dealing in fully-paid Rights Shares

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 16 May 2022.

Odd lots matching services

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, a designated broker, Kingston Securities Limited, has been appointed by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share from 9:00 a.m. on Monday, 16 May 2022 to 4:00 p.m. on Wednesday, 8 June 2022 (both dates inclusive). Kingston Securities Limited confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.

Holder(s) of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Mr. James Lee of Kingston Securities Limited at 72/F, The Center, 99 Queen’s Road Central, Central, Hong Kong (telephone number: (852) 2298 6228) during office hours (i.e. 9:30 a.m. to 4:00 p.m.) of such period. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

The Board announces that, upon the completion of the Rights Issue, adjustments (the “**Share Options Adjustments**”) are made to the exercise price and the number of Shares falling to be issued upon the exercise of the outstanding Share Options pursuant to the relevant terms of the share option scheme adopted by the Company on 17 October 2014 (the “**Share Option Scheme**”), Rule 17.03(13) of the Listing Rules and the Supplementary Guidance on Main Board Listing Rules 17.03(13)/GEM Listing Rules 23.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”).

The exercise price of the outstanding Share Options and the number of Shares falling to be issued upon the exercise of the outstanding Share Options are adjusted in the following manner:

| Date of grant of the outstanding Share Options | Exercise period of Share Options | Immediately before completion of the Rights Issue | Exercise price per Share Option | Immediately after completion of the Rights Issue | Adjusted exercise price per Share Option |
|--|--------------------------------------|--|---------------------------------|--|--|
| | | Number of Shares to be issued upon exercise of the outstanding Share Options | | Adjusted number of Shares to be issued upon full exercise of the outstanding Share Options | |
| 29 October 2018 | 29 October 2019 to 28 October 2023 | 998,400 | HK\$13.40 | 1,029,187 | HK\$13.00 |
| | 29 October 2020 to 28 October 2023 | 998,400 | HK\$13.40 | 1,029,187 | HK\$13.00 |
| 13 December 2018 | 13 December 2019 to 12 December 2023 | 50,000 | HK\$12.00 | 51,542 | HK\$11.64 |
| | 13 December 2020 to 12 December 2023 | 50,000 | HK\$12.00 | 51,542 | HK\$11.64 |
| | | 2,096,800 | | 2,161,458 | |

Save for the Share Options Adjustments, all other terms and conditions of the outstanding Share Options remain unchanged.

The Company's auditor, Moore Stephens CPA Limited, has certified in writing to the Company that the Share Options Adjustments are in compliance with the requirements set out in the relevant terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Stock Exchange Supplementary Guidance.

By order of the Board
AFFLUENT PARTNERS HOLDINGS LIMITED
Cheng Chi Kin
Chairman and Executive Director

Hong Kong, 12 May 2022

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. Chiu Sin Nang, Kenny, Mr. Dong Bo, Frederic and Mr. Wong Siu Keung Joe as independent non-executive Directors.