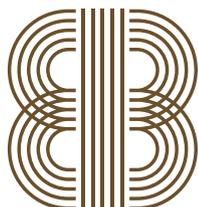


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司

(Stock Code: 599)

**(1) PROPOSED RIGHTS ISSUE
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY FOUR EXISTING SHARES
HELD ON RECORD DATE;
AND
(2) PROPOSED CHANGE IN BOARD LOT SIZE**

Underwriter to the Rights Issue



信達國際
CINDA INTERNATIONAL

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every four (4) existing Shares held on the Record Date at the Subscription Price of HK\$0.192 per Rights Share, to raise (before expenses) up to approximately HK\$28.8 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders) by issuing up to 150,150,000 Rights Shares to the Qualifying Shareholders. Qualifying Shareholders are entitled to apply for Rights Shares in excess of their respective entitlements under the Rights Issue.

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be up to approximately HK\$27.7 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders). The Company intends to apply the net proceeds from the proposed Rights Issue as to (i) approximately HK\$15.0 million for financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group's kitchen collection and furniture business; (ii) approximately HK\$9.9 million for repayment of bank loans; and (iii) approximately HK\$2.8 million as general working capital of the Group. In the event that (i) there is an under-subscription by the Qualifying Shareholders whether under the PAL(s) and/or EAF(s); and (ii) the Underwritten Shares would not be taken up by the Underwriter or subscriber(s) procured by it eventually, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than the Latest Lodging Time.

The last day of dealing in the Shares on cum-rights basis is Friday, 18 November 2022. The Shares will be dealt with on an ex-rights basis from Monday, 21 November 2022.

UNDERWRITING AGREEMENT

On 21 October 2022 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and respective arrangements in respect of the Rights Issue. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a best-effort and non-fully underwritten basis, up to 51,778,920 Underwritten Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the underwriting arrangement are set out in the paragraph headed "The Underwriting Agreement" in this announcement.

The Rights Issue is only underwritten on a best-effort and non-fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue and the Underwriting Agreement, the Rights Issue shall proceed regardless of the ultimate subscription level, and up to 150,150,000 Rights Shares are available to be subscribed subject, however, to any Scaling-down.

In the event the Rights Issue is under-subscribed, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of Nil-Paid Rights, and not subscribed by the Underwriter or subscribers procured by it pursuant to the Underwriting Agreement will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

THE IRREVOCABLE UNDERTAKINGS

Universal Star Group Undertaking

As at the date of this announcement, Universal Star Group is beneficially interested in an aggregate of 108,302,488 Shares. Pursuant to the Universal Star Group Undertaking, Universal Star Group has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 27,075,622 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 108,302,488 Shares beneficially held by it;
- (ii) it will not dispose of any of the 108,302,488 Shares comprising the current shareholding in the Company owned by Universal Star Group, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 27,075,622 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Happy Voice Undertaking

As at the date of this announcement, Happy Voice is beneficially interested in an aggregate of 73,581,206 Shares. Pursuant to the Happy Voice Undertaking, Happy Voice has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 18,395,301 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 73,581,206 Shares beneficially held by it;
- (ii) it will not dispose of any of the 73,581,206 Shares comprising the current shareholding in the Company owned by Happy Voice, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 18,395,301 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

New Happy Times Undertaking

As at the date of this announcement, New Happy Times is beneficially interested in an aggregate of 43,659,542 Shares. Pursuant to the New Happy Times Undertaking, New Happy Times has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 10,914,885 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 43,659,542 Shares beneficially held by it;
- (ii) it will not dispose of any of the 43,659,542 Shares comprising the current shareholding in the Company owned by New Happy Times, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 10,914,885 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Fast Way Management Undertaking

As at the date of this announcement, Fast Way Management is beneficially interested in an aggregate of 37,197,294 Shares. Pursuant to the Fast Way Management Undertaking, Fast Way Management has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 9,299,323 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 37,197,294 Shares beneficially held by it;
- (ii) it will not dispose of any of the 37,197,294 Shares comprising the current shareholding in the Company owned by Fast Way Management, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 9,299,323 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Save for the Irrevocable Undertakings, as at the date of this announcement, the Company has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 16,000 Shares with effect from 9:00 a.m. on Friday, 23 December 2022. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

LISTING RULES IMPLICATIONS

The Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement. The Rights Issue will not increase the issued share capital 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 associates). Hence, the Rights Issue is not subject to Shareholders' approval under the Listing Rules and will be carried out in compliance with Rule 7.21(1)(a) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

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. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" in this announcement). Accordingly, the proposed Rights Issue may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every four (4) existing Shares held on the Record Date. Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	: one (1) Rights Share for every four (4) existing Shares held on the Record Date
Subscription Price	: HK\$0.192 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	: HK\$0.184 per Rights Share (assuming no change in the number of Shares on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders)
Number of existing Shares in issue at the date of this announcement	: 600,600,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	: Up to 150,150,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	: Up to HK\$15,015,000 (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders)
Total number of Shares in issue upon completion of the Rights Issue	: Up to 750,750,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders)
Number of Rights Shares underwritten by the Underwriter	: Up to 51,778,920 Rights Shares on a best-effort basis
Gross proceeds from the Rights Issue	: Up to approximately HK\$28.8 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders)
Right of excess applications	: Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the date of this announcement, the Company had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming no change in the number of Shares in issue on or before the Record Date, the maximum number of 150,150,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 25% of the total number of issued Shares as at the date of this announcement; and (ii) 20% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

The Rights Issue is only underwritten on a best-effort and non-fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue and the Underwriting Agreement, the Rights Issue shall proceed regardless of the ultimate subscription level, and up to 150,150,000 Rights Shares are available to be subscribed subject, however, to any Scaling-down.

In the event the Rights Issue is under-subscribed, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of Nil-Paid Rights, and not subscribed by the Underwriter or subscribers procured by it pursuant to the Underwriting Agreement will not be issued, and hence, the size of the Rights Issue will be reduced accordingly.

Subscription Price

The Subscription Price is HK\$0.192 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of the Nil-Paid Rights applies for the Rights Shares.

The Subscription Price of HK\$0.192 per Rights Share represents:

- (i) a discount of approximately 20.00% to the closing price of HK\$0.240 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 20.99% to the average of the closing price of HK\$0.243 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 17.60% to the theoretical ex-rights price of approximately HK\$0.233 per Share as adjusted for the effect of the Rights Issue, based on the average of closing price of HK\$0.243 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day; and
- (iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 4.12%, represented by the theoretical diluted price of approximately HK\$0.233 per Share to the benchmarked price of approximately HK\$0.243 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.240 per Share and the average of the closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.243 per Share).

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price of the Shares under the prevailing market conditions, (ii) the latest 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 proposed Rights Issue and intended use of proceeds" in this announcement.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Non-Qualifying Shareholders. The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than the Latest Lodging Time.

The last day of dealing in the Shares on cum-rights basis is Friday, 18 November 2022. The Shares will be dealt with on an ex-rights basis from Monday, 21 November 2022.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders. As at the date of this announcement, there are four Overseas Shareholders with registered addresses situated in the British Virgin Islands.

The basis for excluding the Non-Qualifying Shareholders(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus (without the PAL and the EAF) and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to the Non-Qualifying Shareholders for their information only.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the Nil-Paid Rights commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholder(s) to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 23 November 2022 to Tuesday, 29 November 2022 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every four (4) existing Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional entitlements to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company. Any unsold entitlements shall be made available for excess application by the Qualifying Shareholders.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses at their own risk on or before Thursday, 22 December 2022. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Thursday, 22 December 2022 by ordinary post to the applicants at their own risk, to their registered addresses.

Scale-down mechanisms

Pursuant to the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best-effort and non-fully underwritten basis, to avoid the unwitting incurring of an obligation to make a general offer for the Shares under the Takeovers Code, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of Nil-Paid Rights, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which does not incur an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

Pursuant to the Scaling-down, such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled-down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group of Qualifying Shareholders rather than an individual Qualifying Shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should

be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Application for excess Rights Shares

Under the proposed Rights Issue, Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Non-Qualifying Shareholder(s); (ii) any unsold fractional entitlements to the Rights Shares; (iii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of the Nil-Paid Rights; and (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

Application for excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Wednesday, 14 December 2022.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record

Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by no later than the Latest Lodging Time. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The Nil-Paid Rights and the fully-paid Rights Shares will be traded in the board lots of 16,000 Shares, being the new board lot size after the Change in Board Lot Size takes effect.

Subject to the granting of the listing of, and 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 commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be 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.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

THE UNDERWRITING AGREEMENT

On 21 October 2022 (after trading hours of the Stock Exchange), the Company and the Underwriter entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue. Further details of the Underwriting Agreement are set out below:

The Underwriting Agreement

Date : 21 October 2022 (after trading hours of the Stock Exchange)

Underwriter : Cinda International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and its ordinary course of business includes underwriting of securities

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules

Number of Right Shares : Up to 150,150,000 Rights Shares

Number of Rights Shares underwritten by the Underwriter : Up to 51,778,920 Rights Shares, representing approximately 7.21% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and no Qualifying Shareholders (except Universal Star Group and parties acting in concert with it) take up any of his/her/its entitlements under the Rights Issue)

Underwriting Commission : 2.5% of the aggregate subscription amount in respect of the Rights Shares actually subscribed by the Underwriter or subscribers procured by it

The Rights Issue is underwritten by the Underwriter on a best-effort and non-fully underwritten basis pursuant to the terms of the Underwriting Agreement.

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement

(including the underwriting commission) is fair and reasonable and in the interest of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Underwriting Agreement.

Subject to the fulfilment (or any waiver, as the case may be, by the Underwriter) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe or procure the subscription, on a best-effort and non-fully underwritten basis, for the Underwritten Shares that are not otherwise taken up.

Conditions of the Underwriting Agreement

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

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purposes only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the business day prior to the first day of their dealings;
- (iv) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (v) the compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (vi) there being no event which would have rendered any of the warranties given by the Company under the Underwriting Agreement untrue or incorrect in any material respect occurring prior to the Latest Time for Termination;
- (vii) the Shares remaining listed on the Stock Exchange at all times prior to the settlement date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days at any time prior to the Latest Time for Acceptance;

- (viii) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands; and
- (ix) the compliance with and performance of all the undertakings and obligations of Universal Star Group, Happy Voice, New Happy Times and Fast Way Management under the Irrevocable Undertakings.

Save for the conditions (v) and (vi) above which can be waived by the Underwriter, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, or waived (where applicable) by the Latest Time for Termination, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

If at any time on or before the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) 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 hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter shall affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing; or
- (vi) the Prospectus Documents in connection with the Rights Issue when published contain information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of this Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a reasonably prudent investor not to apply for its assured entitlements of Rights Shares under the Rights Issue; or
- (vii) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (viii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive business days occurs, excluding any halt or suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (ix) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company and the other Underwriter, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the proposed Rights Issue will not proceed.

THE IRREVOCABLE UNDERTAKINGS

Universal Star Group Undertaking

As at the date of this announcement, Universal Star Group is beneficially interested in an aggregate of 108,302,488 Shares. Pursuant to the Universal Star Group Undertaking, Universal Star Group has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 27,075,622 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 108,302,488 Shares beneficially held by it;
- (ii) it will not dispose of any of the 108,302,488 Shares comprising the current shareholding in the Company owned by Universal Star Group, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 27,075,622 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Happy Voice Undertaking

As at the date of this announcement, Happy Voice is beneficially interested in an aggregate of 73,581,206 Shares. Pursuant to the Happy Voice Undertaking, Happy Voice has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 18,395,301 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 73,581,206 Shares beneficially held by it;
- (ii) it will not dispose of any of the 73,581,206 Shares comprising the current shareholding in the Company owned by Happy Voice, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 18,395,301 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

New Happy Times Undertaking

As at the date of this announcement, New Happy Times is beneficially interested in an aggregate of 43,659,542 Shares. Pursuant to the New Happy Times Undertaking, New Happy Times has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 10,914,885 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 43,659,542 Shares beneficially held by it;

- (ii) it will not dispose of any of the 43,659,542 Shares comprising the current shareholding in the Company owned by New Happy Times, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 10,914,885 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Fast Way Management Undertaking

As at the date of this announcement, Fast Way Management is beneficially interested in an aggregate of 37,197,294 Shares. Pursuant to the Fast Way Management Undertaking, Fast Way Management has given an irrevocable undertaking in favour of the Company and the Underwriter, that:

- (i) it will subscribe for 9,299,323 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 37,197,294 Shares beneficially held by it;
- (ii) it will not dispose of any of the 37,197,294 Shares comprising the current shareholding in the Company owned by Fast Way Management, and such Shares will remain beneficially owned by it up to and including the Record Date; and
- (iii) it will lodge or procure its acceptance of the 9,299,323 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

Save for the Irrevocable Undertakings, as at the date of this announcement, the Company has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

EXPECTED TIMETABLE

Set out below is the expected timetable for the proposed Rights Issue and Change in Board Lot Size which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Expected Timetable	2022
Announcement of the Rights Issue	Friday, 21 October
Last day of dealings in Shares on a cum-rights basis	Friday, 18 November
First day of dealings in the Shares on an ex-rights basis.....	Monday, 21 November
Latest Lodging Time	4:30 p.m. on Tuesday, 22 November

Expected Timetable**2022**

Register of members of the Company closes (both days inclusive)	Wednesday, 23 November to Tuesday, 29 November
Record Date for determining entitlements to the Rights Issue	Tuesday, 29 November
Register of members of the Company re-opens.....	Wednesday, 30 November
Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only)	Wednesday, 30 November
First day of dealing in Nil-Paid Rights	9:00 a.m. on Friday, 2 December
Latest time for splitting of the PAL	4:00 p.m. on Tuesday, 6 December
Last day of dealing in Nil-Paid Rights	Friday, 9 December
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Wednesday, 14 December
Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional.....	4:00 p.m. on Thursday, 15 December
Announcement of allotment results.....	Wednesday, 21 December
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for excess Rights Shares.....	Thursday, 22 December
Expected first day of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 23 December
Effective date of the new board lot size (in the board lot size of 16,000 Shares)	9:00 a.m. on Friday, 23 December
Designated broker starts to stand in the market to provide matching services for odd lots of Shares.....	9:00 a.m. on Friday, 23 December

Designated broker ceases to stand designated broker to
provide matching services for odd lots of Shares..... 4:00 p.m. on
Friday, 13 January

Dates or deadlines specified in expected timetable above or in other parts of this announcement are indicative only and may be varied by agreement between the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHT SHARES

The latest time for acceptance of and payment for the Rights Shares and application for and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning and/or “extreme conditions”:

1. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 14 December 2022. Instead the latest time for acceptance of and payment for the Rights Shares and application for and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
2. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 14 December 2022. Instead the latest time for acceptance of and payment for the Rights Shares and application for and payment for excess Rights Shares 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 of and payment for the Rights Shares and application for and payment for excess Rights Shares does not take place on or before 4:00 p.m. on Wednesday, 14 December 2022, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

REASONS FOR AND BENEFITS OF THE PROPOSED RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the importing, wholesale, retail and installation of architectural builders’ hardware, bathroom, kitchen collections and furniture, and the provision of interior design services, project and contract management in Hong Kong and the People’s Republic of China.

The Group intends to raise additional funding for financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group’s kitchen collection and furniture business, for repayment of bank loans and as general working capital of the Group. The Board has considered various means of fund raising, such as debt financing/bank borrowings and placing of new Shares, before resolving to the Rights Issue. The Company has considered the pros and cons of different fund-raising options. In respect of debt financing, the Board considers that further debt financing would

result in additional interest burden and higher gearing ratio of the Group which is not beneficial to the Group. Placing of new Shares is not adopted as it does not allow the Qualifying Shareholders the right to participate in the fund-raising exercise and their respective shareholdings in the Company would be diluted without being offered an opportunity to maintain their proportionate interests in the Company. In comparison, the Rights Issue is pre-emptive in nature, allowing the Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to (i) increase their respective interests in the shareholdings of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (ii) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for business development. As open offer does not allow the trading of rights entitlement, rights issue is preferred.

The gross proceeds from the Rights Issue are expected to be up to approximately HK\$28.8 million. The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be up to approximately HK\$27.7 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Rights Shares will be taken up by the Qualifying Shareholders). The Company intends to apply the net proceeds from the proposed Rights Issue as to (i) approximately HK\$15.0 million for financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group's kitchen collection and furniture business; (ii) approximately HK\$9.9 million for repayment of bank loans; and (iii) approximately HK\$2.8 million as general working capital of the Group. In the event that (i) there is under-subscription by the Qualifying Shareholders whether under the PAL(s) and/or EAF(s); and (ii) the Underwritten Shares would not be taken up by the Underwriter or subscriber(s) procured by it eventually, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

The Rights Issue is an offer to existing Shareholders to participate in the enlargement of the capital base of the Company and enables the Shareholders to maintain their proportionate interests in the Company and continue to participate in development of the Company in the future should they wish to do so. However, those Shareholders who do not participate in the Rights Issue to which they are entitled should note that their shareholding interest in the Company will be diluted.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, is fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the Nil-Paid Rights in the market; (ii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

For illustration purposes only, set out below is the shareholding structure of the Company as at the date of the announcement, and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement, is as follow:

	(i) As at the date of this announcement		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(iii) Immediately upon completion of the Rights Issue assuming no acceptance by the Qualifying Shareholders (except Universal Star Group and parties acting in concert with it) under the Rights Issue and the Underwriter takes up all Underwritten Shares (Note 10)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Universal Star Group (Note 1, 5 & 6)	108,302,488	18.03	135,378,110	18.03	135,378,110	18.85
Happy Voice (Note 2)	73,581,206	12.25	91,976,507	12.25	91,976,507	12.81
New Happy Times (Note 3 & 7)	43,659,542	7.27	54,574,427	7.27	54,574,427	7.60
Fast Way Management (Note 4 & 8)	37,197,294	6.19	46,496,617	6.19	46,496,617	6.48
Universal Star Group and parties acting in concert with it	262,740,530	43.74	328,425,661	43.74	328,425,661	45.74
Underwriter	—	—	—	—	51,778,920	7.21
Other public Shareholders	337,859,470	56.26	422,324,339	56.26	337,859,470	47.05
Total	600,600,000	100.00	750,750,000	100.00	718,064,051	100.00

Notes

1. Universal Star Group is an investment holding company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is beneficially owned by Mr. TSE Sun Wai, Albert, Mr. TSE Hon Kit, Kevin and their family. Each of Mr. TSE Sun Wai, Albert and Mr. TSE Hon Kit, Kevin is an executive Director.
2. Happy Voice is company incorporated in the British Virgin Islands with limited liability, all the shareholders of which are relatives of the Tse's Family.
3. New Happy Times is an investment holding company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is beneficially owned by the spouse of Mr. TSE Sun Po, Tony and his family. Mr. TSE Sun Po, Tony, being an executive Director, is deemed to have beneficial interest in the Company.
4. Fast Way Management is an investment holding company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is beneficially owned by Mr. TSE Sun Fat, Henry, being an executive Director, and his spouse.
5. Mr. TSE Sun Wai Albert is a cousin of Mr. TSE Sun Po, Tony and Mr. TSE Sun Fat, Henry, and the father of Mr. TSE Hon Kit, Kevin.
6. Mr. TSE Hon Kit, Kevin is a nephew of Mr. TSE Sun Po, Tony and Mr. TSE Sun Fat, Henry, and the son of Mr. TSE Sun Wai Albert.
7. Mr. TSE Sun Po, Tony is a brother of Mr. TSE Sun Fat, Henry, a cousin of Mr. TSE Sun Wai, Albert, and an uncle of Mr. TSE Hon Kit, Kevin.
8. Mr. TSE Sun Fat, Henry is a brother of Mr. TSE Sun Po, Tony, a cousin of Mr. TSE Sun Wai, Albert, and an uncle of Mr. TSE Hon Kit, Kevin.
9. Universal Star Group, Happy Voice, New Happy Times, Fast Way Management and all of their respective beneficial shareholders are parties acting in concert with each other.
10. Assuming no excess applications are made by Qualifying Shareholders.
11. These scenarios are for illustrative purpose only. Under the Underwriting Agreement, the Underwriter has undertaken that it shall use its reasonable endeavours to ensure that (i) each of the subscribers or purchasers of the Untaken Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any Directors, chief executive or substantial Shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules); (ii) the public float requirements under the Listing Rules shall be fulfilled by the Company upon completion of the Rights Issue; and (iii) any subscription or purchase of the Untaken Shares by the Underwriter and each of the subscribers or purchasers procured by the Underwriter shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and the subscribers or purchasers procured by the Underwriter upon completion of the Rights Issue.
12. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

PROPOSED CHANGE IN BOARD LOT SIZE

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, the expected value of each board lot should be greater than HK\$2,000. In order to increase the value of each board lot of the Shares, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 16,000 Shares with effect from 9:00 a.m. on Friday, 23 December 2022. Shareholders should take note that Shareholders’ approval is not required for the Change in Board Lot Size.

All existing share certificates in board lot of 4,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 4,000 Shares to new share certificate in board lot size of 16,000 Shares is necessary.

LISTING RULES IMPLICATIONS

The Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement. The Rights Issue will not increase the issued share capital 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 associates). Hence, the Rights Issue is not subject to Shareholders’ approval under the Listing Rules and will be carried out in compliance with Rule 7.21(1)(a) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

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. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” above). Accordingly, the proposed Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 21 November 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 2 December 2022 to Friday, 9 December 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the Nil-Paid Rights.

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). Any Shareholder or other person dealing in the Shares or in the Nil-Paid Rights up to the date on which all the conditions to which the proposed Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the proposed Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares per board lot to 16,000 Shares per board lot
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	E. Bon Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 599)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
“Fast Way Management”	Fast Way Management Limited, a company incorporated in the British Virgin Islands with limited liability
“Fast Way Management Undertaking”	the irrevocable undertaking given by Fast Way Management in favour of the Company and the Underwriter, details of which is set out in the paragraph headed “Fast Way Management Undertaking” in this announcement
“Group”	the Company and its subsidiaries
“Happy Voice”	Happy Voice Limited, a company incorporated in the British Virgin Islands with limited liability, being a substantial shareholder of the Company
“Happy Voice Undertaking”	the irrevocable undertaking given by Happy Voice in favour of the Company and the Underwriter, details of which is set out in the paragraph headed “Happy Voice Undertaking” in this announcement
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates
“Irrevocable Undertakings”	collectively, the Universal Star Group Undertaking, the Happy Voice Undertaking, the New Happy Times Undertaking and the Fast Way Management Undertaking
“Last Trading Day”	21 October 2022, being the last full trading day of the Shares on the Stock Exchange prior to the release of this announcement
“Latest Lodging Time”	4:30 p.m. on Tuesday, 22 November 2022 or such other date as the Underwriter and the Company may agree, being the latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 14 December 2022 or such later time or date as may be agreed between the Underwriters and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on the first Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriters and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Happy Times”	New Happy Times Limited, a company incorporated in the British Virgin Islands with limited liability
“New Happy Times Undertaking”	the irrevocable undertaking given by New Happy Times in favour of the Company and the Underwriter, details of which is set out in the paragraph headed “New Happy Times Undertaking” in this announcement
“Nil-Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the proposed Rights Issue
“Prospectus Documents”	collectively, the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Wednesday, 30 November 2022, or such other day as may be agreed between the Company and the Underwriter for the dispatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Tuesday, 29 November 2022 or such other date as may be agreed between the Company and the Underwriters in writing for the determination of the entitlements under the Rights Issue
“Registrar”	Tricor Abacus Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the Company’s branch share registrar and transfer office in Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every four (4) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	Shares to be allotted and issued under the proposed Rights Issue on the basis of one (1) Rights Share for every four (4) existing Shares in issue on the Record Date, being up to 150,150,000 Shares based on the Company’s issued share capital as at the date of this announcement

“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of the Nil-Paid Rights shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may incur an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in the incurring of an obligation on part of the relevant Shareholder to make a general offer for the Shares under the Takeovers Code
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in the incurring of an obligation on part of the relevant Shareholder to make a general offer for the Shares under the Takeovers Code
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.192 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Tse’s Family”	Mr. TSE Sun Fat, Henry, Mr. TSE Sun Wai, Albert, Mr. TSE Sun Po, Tony and Mr. TSE Hon Kit, Kevin
“Underwriter”	Cinda International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

“Underwriting Agreement”	the underwriting agreement dated 21 October 2022 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Share(s)”	up to 51,778,920 Rights Shares to be underwritten by the Underwriter on a best-effort and non-fully underwritten basis pursuant to the terms and conditions of the Underwriting Agreement
“Universal Star Group”	Universal Star Group Limited, a company incorporated in the British Virgin Islands with limited liability, being a substantial shareholder of the Company
“Universal Star Group Undertaking”	the irrevocable undertaking given by Universal Star Group in favour of the Company and the Underwriter, details of which is set out in the paragraph headed “Universal Star Group Undertaking” in this announcement
“Untaken Shares”	such number of Rights Shares (if any) in respect of which duly completed PAL(s) or EAF(s) have not been lodged for acceptance or not fully paid or otherwise rejected on or before the Latest Time for Acceptance, including any Rights Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Rights Issue if they were to be Qualifying Shareholders, together with the Scale-down PAL Shares and the Scale-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the EAFs, and unsold aggregation of fractions of Rights Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percentage

By order of the Board
E. Bon Holdings Limited
TSE Sun Fat, Henry
Chairman

Hong Kong, 21 October 2022

As at the date of this announcement, the Board of Directors comprises eight Directors, of which five are executive Directors, namely Mr. TSE Sun Fat, Henry, Mr. TSE Sun Wai, Albert, Mr. TSE Sun Po, Tony, Mr. TSE Hon Kit, Kevin and Mr. LAU Shiu Sun and three are independent non-executive Directors, namely Mr. WONG Wah, Dominic, Mr. WAN Sze Chung and Dr. LUK Wang Kwong.