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## **Grown Up Group Investment Holdings Limited**

**植華集團投資控股有限公司**

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

**(Stock code: 1842)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**

**漢華證券**

*Evergreen Securities Limited*

#### **THE PLACING**

The Board is pleased to announce that on 9 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 200,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price of HK\$0.16 per Placing Share.

The maximum number of the Placing Shares represents: (a) 20% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 16.67% of the enlarged total number of Shares in issue upon Completion (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue by the Company of the Placing Shares).

The Placing Price of HK\$0.16 per Placing Share represents: (i) a discount of approximately 2.4% to the closing price of HK\$0.164 per Share as quoted on the Stock Exchange on 9 November 2022, being the date of the Placing Agreement; and (ii) a discount of approximately 3.6% to the average closing price of HK\$0.166 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

Completion is conditional upon the fulfilment of all the conditions precedent under the Placing Agreement. If any of the conditions precedent is not fulfilled on or before 30 November 2022 (or such later date as may be agreed between the parties to the Placing Agreement in writing), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Assuming all the 200,000,000 Placing Shares are successfully placed, the gross proceeds from the Placing amount to approximately HK\$32 million and the net proceeds from the Placing are estimated to be approximately HK\$31.3 million after deducting the placing commission and other relevant costs and expenses. The Company intends to apply the net proceeds to fund its existing business operation, to increase brand awareness by participating in an NFT-themed project, to repay its outstanding liabilities and as general working capital of the Group. On such basis, the net issue price will be approximately HK\$0.157 per Placing Share.

## **GENERAL**

The Placing Shares will be issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares will not be subject to any approval of the Shareholders. Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Placing Shares.

**Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 9 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement.

The principal terms of the Placing Agreement are summarised below:

**Date:** 9 November 2022 (after trading hours)

**Issuer:** The Company

**Placing Agent:** Evergreen Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 200,000,000 Placing Shares to not less than six Placées who and whose ultimate beneficial owners are

Independent Third Parties at the Placing Price of HK\$0.16 per Placing Share. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions and the recent trading performance of the Shares. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

### **Placing commission**

The Placing Agent will charge the Company a placing commission of 1.5% of the gross proceeds from the Placing. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions and the Directors are of the view that the placing commission is fair and reasonable.

### **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. It is expected that none of the Placees will become a Substantial Shareholder of the Company immediately after the Placing.

### **Number of Placing Shares**

The maximum number of Placing Shares under the Placing represents (i) 20% of the existing issued share capital of the Company of 1,000,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there will be no other change to the total number of Shares in issue from the date of this announcement to the Completion Date). The aggregate nominal value of the maximum number of Placing Shares will be HK\$2,000,000 based on the nominal value of HK\$0.01 per Share.

### **Ranking of Placing Shares**

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

### **Placing Price**

The Placing Price of HK\$0.16 per Placing Share represents:

- (a) a discount of approximately 2.4% to the closing price of HK\$0.164 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 3.6% to the average closing price of HK\$0.166 per Share as quoted on the Stock Exchange in the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **General Mandate to allot and issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate, pursuant to which the Directors are authorised to allot and issue up to 200,000,000 Shares, representing 20% of the total number of issued Shares as at the AGM. The maximum number of Shares that can be issued under the General Mandate is 200,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares, and therefore, the issue of the Placing Shares is not subject to any Shareholders' approval. The General Mandate will be utilised as to 20% upon the allotment and issue of all the Placing Shares.

### **Application for listing of Placing Shares**

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

### **Conditions of the Placing**

Completion is conditional upon fulfilment of the following conditions:

- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 30 November 2022 (or such later date as may be agreed between the parties to the Placing Agreement in writing), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

### **Completion of the Placing**

Completion will take place at 4:00 p.m. on the Completion Date after the fulfilment of the above conditions precedent or such later date as may be agreed between the Company and the Placing Agent in writing.

## Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date upon the occurrence of the following events:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties of the Company to the Placing Agent under the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the termination clause of the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in designing, developing, sourcing, manufacturing and selling a full range of bags, luggage and accessories as well as medical related products, tool storage and tool accessories. As disclosed in the interim report of the Company for the six months ended 30 June 2022, the Group reported negative operating cash flow of HK\$1.4 million for the six months ended 30 June 2022. Although the Group's business continued to grow gradually and recorded an increase in revenue to HK\$186.8 million for the six months ended 30 June 2022 from HK\$166.4 million for the same period last year, it is expected that the global economy will remain sluggish considering the prolonged effect of the COVID-19 pandemic and the adverse economic impact initiated by the Russia-Ukraine war and the cash inflow of the Group might be adversely affected. The Directors are of the view that it would be desirable for the Group to raise and reserve sufficient cash for the repayment of part of the current debts of the Group in a timely manner and for its general working capital so as to accommodate the operating cashflow needs. In addition, as disclosed in the Company's announcement dated 6 April 2022, the Company is exploring opportunities in expanding its business scope and has entered into a memorandum of understanding with an Independent Third Party engaged in the business of creating and selling digital assets, i.e. non-fungible tokens (NFTs).

The gross proceeds and net proceeds from the Placing will be approximately HK\$32 million and HK\$31.3 million, respectively. The Directors intend to apply (i) approximately HK\$15.3 million to fund its existing business operation; (ii) approximately HK\$8 million for increasing brand awareness by participating in an NFT-themed project; (iii) approximately HK\$5 million to repay its outstanding liabilities; and (iv) approximately HK\$3 million as general working capital of the Group. In respect of the NFT-themed project, the Group intends to cooperate with an Independent Third Party in developing an NFT theme park for the promotion of tourism in Cheung Chau. It is expected that the Group's participation in the project will raise awareness of the Group's brand name given the present wave of interest surrounding the metaverse. The Directors believe that participating in the tourism project can synergise with the Group's tourism-related manufacturing business and generate more sales in the long term.

The Directors consider that the Placing represents a valuable opportunity to raise additional funding for the business operations of the Group without any interest burden and broaden the Shareholder base of the Company which may in turn enhance the liquidity of the Shares and provide working capital to the Group to meet any of its financial obligations.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement up to the Completion Date, set out below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after Completion (assuming that all of the 200,000,000 Placing Shares will be placed in full).

	As at the date of this announcement		Immediately after Completion (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx.%	Number of Shares	Approx.%
Mr. Berg ( <i>Note</i> )	510,000,000	51.00%	510,000,000	42.50%
<b>Public Shareholders</b>				
The Places	—	—	200,000,000	16.67%
Other public Shareholders	<u>490,000,000</u>	<u>49.00%</u>	<u>490,000,000</u>	<u>40.83%</u>
<b>Total</b>	<u><u>1,000,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,200,000,000</u></u>	<u><u>100.00%</u></u>

*Note:*

Such Shares are beneficially owned by GP Group Investment Holding Limited (“**GP Group**”), a company incorporated in Hong Kong with limited liability. The controlling shareholder of GP Group is Berg Group Holding Limited, which is wholly-owned by Mr. Thomas Berg (“**Mr. Berg**”). By virtue of the SFO, Mr. Berg is deemed to be interested in the 510,000,000 Shares held by GP Group.

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

Save for the proposed issuance of convertible bonds which was subsequently lapsed as announced by the Company on 12 May 2022, 16 May 2022 and 30 September 2022, respectively, the Company had not conducted any fund-raising activities involving the issue of its equity securities during the 12 months immediately preceding the date of this announcement.

**As Completion is subject to the fulfillment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 24 June 2022
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal 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) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Grown Up Group Investment Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands and the Shares of which are listed on the Stock Exchange (stock code: 1842)
“Completion”	completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Completion Date”	a date falling within seven (7) Business Days after the day on which all the conditions set out in the section headed “Conditions of the Placing” of this announcement have been fulfilled (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the AGM to allot and issue up to 200,000,000 new Shares, representing 20% of the issued share capital of the Company on such date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares
“Placing”	the placing, on a best effort basis, of up to 200,000,000 Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Evergreen Securities Limited, a corporation licensed by the Securities and Futures Commission to carry out type 1 (dealing in securities) regulated activities regulated activities under the SFO
“Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 9 November 2022 in respect of the Placing
“Placing Price”	HK\$0.16 per Placing Share
“Placing Share(s)”	up to 200,000,000 Shares to be issued under the Placing
“SFO”	Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed under the Listing Rules
“%”	per cent

By order of the Board  
**Grown Up Group Investment Holdings Limited**  
**Thomas Berg**  
*Chairman and Executive Director*

Hong Kong, 9 November 2022

*As at the date of this announcement, the executive Directors are Mr. Thomas Berg, Mr. Morten Rosholm Henriksen, Mr. Cheng Wai Man, and Ms. Shut Ya Lai; the non-executive Director is Mr. Fung Bing Ngon Johnny; and the independent non-executive Directors are Mr. Tsang Hing Suen, Mr. Wong Kai Hing and Mr. Chan Ting Leuk Arthur.*