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CHINA FORDOO HOLDINGS LIMITED

中國虎都控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2399)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 24 December 2021 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with each of the Subscribers pursuant to which (i) Mr. Lu has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 109,090,000 new Shares at the Subscription Price of HK\$0.550 per Subscription Share; and (ii) Ms. Wang has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 22,241,000 new Shares at the Subscription Price of HK\$0.550 per Subscription Share.

Each of the Subscribers is a third party independent of the Company and its connected persons. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

The aggregate 131,331,000 Subscription Shares represent (i) approximately 6.70% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 6.28% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscription). The aggregate nominal value of the Subscription Shares will be approximately HK\$328,328.

Subject to the completion of the Subscription, the gross proceeds from the Subscription will be approximately HK\$72.2 million and the net proceeds from the Subscription (after deduction of other expenses of the Subscription) will be approximately HK\$72.0 million. It is expected that such net proceeds from the Subscription will be utilised for future business development and repayment of debt.

Since completion of the Subscription is subject to fulfilment of the conditions as set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On 24 December 2021 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreements with each of the Subscribers, pursuant to which (i) Mr. Lu has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 109,090,000 new Shares at the Subscription Price of HK\$0.550 per Subscription Share; and (ii) Ms. Wang has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 22,241,000 new Shares at the Subscription Price of HK\$0.550 per Subscription Share.

The principal terms of the Subscription Agreements are summarised below.

THE SUBSCRIPTION AGREEMENTS

Date: 24 December 2021

Issuer: The Company

Subscribers: Mr. Lu and Ms. Wang

Mr. Lu is a PRC citizen and merchant engaged in the technology promotion and application services industry. Ms. Wang is a Hong Kong citizen and engages in property development. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, each of the Subscribers is not a connected person of the Company.

Subscription Price:

The Subscription Price of HK\$0.550 per Subscription Share:

- (i) represents a discount of approximately 6.78% to the closing price of HK\$0.590 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) represents a discount of approximately 9.84% to the average closing price of approximately HK\$0.610 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to, among others, the prevailing market prices of the Shares and the capital requirement for the future development of the Group.

The Directors consider that the terms of the Subscription Agreements (including the Subscription Price and the other expenses of the Subscription) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Subject to the completion of the Subscription, the gross proceeds from the Subscription will be up to approximately HK\$72.2 million and the net proceeds from the Subscription (after deduction of the other expenses of the Subscription) will be up to approximately HK\$72.0 million. On such basis, the net issue price will be approximately HK\$0.548 per Subscription Share.

The Subscription Shares:

Subject to the fulfillment of the conditions to completion of the Subscription set out below, Mr. Lu shall subscribe for 109,090,000 Subscription Shares and Ms. Wang shall subscribe for 22,241,000 Subscription Shares.

The aggregate 131,331,000 Subscription Shares represent (i) approximately 6.70% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 6.28% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscription). The aggregate nominal value of the Subscription Shares will be approximately HK\$328,328.

Ranking:

The Subscription Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Conditions to Completion of the Subscription:

Completion of the Subscription is conditional upon the satisfaction of the following conditions on or before 14 January 2022 (the “**Long Stop Date**”) (or such other date as may be agreed to by the Subscribers and the Company in writing).

- (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of and permission to deal in the Subscription Shares; and
- (b) the Company having obtained all necessary approvals from all relevant regulatory authorities.

Completion of the Subscription shall take place on or before the fifth business days after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the Subscribers in writing (the “**Completion Date**”).

If the above conditions are not fulfilled by the Long Stop Date (or such other date as may be agreed to by the Subscribers and the Company), all rights, obligations and liabilities of the Parties under the Subscription Agreements in relation to the Subscription shall cease and terminate and none of the Parties shall have any claim against any other Party in respect of the Subscription save for any antecedent breaches of the Subscription Agreements.

Lock-up undertakings:

Each of the Subscribers had undertaken that without the prior written consent of the Company, it will not whether directly or indirectly, at any time during the Lock-up Period dispose of any of the Subscription Shares.

Termination:

Each of the Subscribers is entitled to terminate their respective Subscription Agreement by notice in writing to the Company upon the occurrence of any of the force majeure events set out in the Subscription Agreements at any time between the date of their respective Subscription Agreement and the Completion Date.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Since completion of the Subscription is subject to the fulfilment of the conditions as set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to issue up to 384,720,000 Shares. As at the date of this announcement, 37,087,000 Shares have been allotted and issued pursuant to the General Mandate. The remaining balance of the General Mandate as at date of this announcement is 347,633,000 Shares and is therefore sufficient for the issue and allotment of the Subscription Shares. For further details of the previous subscription, please refer to the announcements of the Company dated 18 October 2021 and 26 October 2021.

Accordingly, the allotment and issue of the Subscription Shares are not subject to any Shareholders' approval.

APPLICATION FOR LISTING

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

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the design, sourcing, manufacturing and sales of its branded menswear.

The gross proceeds of the Subscription will be approximately HK\$72.2 million. The net proceeds of the Subscription (after deduction of relevant expenses) will be approximately HK\$72.0 million. The Company plans to apply the net proceeds for future business development and repayment of debt.

The Directors consider that the Subscription represents a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group and meet any future development and financial obligations at a reasonable cost. The Directors are of the view that, apart from debt financing, the Subscription helps to broaden the Company's funding channels.

The Directors (including independent non-executive Directors) consider that the Subscription Agreements and the Subscription contemplated thereunder are on normal commercial terms determined after arm's length negotiations among the parties, fair and reasonable and in the interests of the Company and the Shareholders as whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any fund-raising activities in the past twelve months before the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
18 October 2021	Issue of new shares under general mandate	Approximately HK\$22.5 million	For future business development and general working capital	For future business development and general working capital

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 1,960,687,000 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Subscription (assuming that the Subscription is fully completed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Subscription Shares under the Subscription Agreements) are as follows:

	As at the date of this announcement		Upon completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Everkept Limited ⁽¹⁾	528,450,000	26.95	528,450,000	25.26
Equal Plus Limited ⁽²⁾	193,852,000	9.89	193,852,000	9.27
Mr. Lu	—	—	109,090,000	5.22
Ms. Wang	96,052,000	4.90	118,293,000	5.65
Other Shareholders	<u>1,142,333,000</u>	<u>58.26</u>	<u>1,142,333,000</u>	<u>54.60</u>
Total	<u>1,960,687,000</u>	<u>100.00</u>	<u>2,092,018,000</u>	<u>100.00</u>

Notes:

- (1) Everkept Limited (“**Everkept**”) is the direct beneficial owner of 528,450,000 Shares. Everkept is owned as to 70% by Mr. Kwok Kin Sun, the chairman of the Board and an executive Director. By virtue of SFO, Mr. Kwok Kin Sun is deemed to be interested in all the Shares held by Everkept. Under the SFO, Ms. Wong Tung Yam, the spouse of Mr. Kwok Kin Sun, is deemed to be interested in all the Shares in which Mr. Kwok Kin Sun is interested. As at the date of this announcement, Everkept pledged a total 528,450,000 Shares to Donghai International Financial Holdings Company Limited (“**Donghai International**”). 東海證券股份有限公司, being the controlling shareholder of Donghai International, is deemed to be interested in all the Shares in which Donghai International is interested by virtue of the SFO.
- (2) Equal Plus Limited (“**Equal Plus**”) is the direct beneficial owner of 193,852,000 Shares. Equal Plus is wholly-owned by Mr. Kwok Hon Fung, an executive Director, the chief executive officer of the Group and the son of Mr. Kwok Kin Sun. By virtue of SFO, Mr. Kwok Hon Fung, is deemed to be interested in all the Shares held by Equal Plus.

Since completion of the Subscription is subject to the fulfilment of the conditions as set out in the Subscription Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 1 June 2021 at which, among other things, the General Mandate was granted to the Directors;
“Board”	the board of Directors;
“Business Day”	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
“Company”	China Fordoo Holdings Limited (中國虎都控股有限公司), 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: 2399);
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;

“General Mandate”	the general mandate granted to the Directors by a resolution passed at the AGM to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued Shares of the Company as at 1 June 2021;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as may be amended or supplemented from time to time;
“Lock-up Period”	the period of three-month period following the Completion Date;
“Mr. Lu”	Mr. Lu Ke, one of the Subscribers;
“Ms. Wang”	Ms. Wang Xiu Hua, one of the Subscribers;
“Party” as “Parties”	the Company and the Subscribers, as parties to the Subscription Agreements;
“PRC” or “People’s Republic of China”	The People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of nominal price of HK\$0.0025 each in the share capital of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber(s)”	Mr. Lu and Ms. Wang, being the subscribers of the Subscription Shares under the Subscription Agreement, each a Subscriber;
“Subscription”	the subscription of 131,331,000 Subscription Shares in total at the Subscription Price pursuant to terms and conditions of the Subscription Agreements;

“Subscription Agreements”	the subscription agreements dated 24 December 2021 entered into between the Company and each of the Subscribers in relation to the Subscription;
“Subscription Price”	HK\$0.550 per Subscription Share;
“Subscription Shares”	131,331,000 new Shares in total to be subscribed pursuant to the Subscription Agreements, and each, a Subscription Share;
“subsidiary”	has the same meaning as ascribed to it under the Listing Rules;
“Trading Days”	means days on which the Stock Exchange is open for trading; and
“%”	per cent.

By order of the Board
China Fordoo Holdings Limited
Kwok Kin Sun
Chairman and Executive Director

Hong Kong, 24 December 2021

As at the date of this announcement, the executive directors of the Company are Mr. Kwok Kin Sun, Mr. Kwok Hon Fung and Mr. Peng Zuncheng; and the independent non-executive directors of the Company are Mr. Cheung Chiu Tung, Mr. Poon Yick Pang Philip and Ms. Huang Yumin.

Website: www.fordoo.cn