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## **LONGHUI INTERNATIONAL HOLDINGS LIMITED**

### **龍輝國際控股有限公司**

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

**(Stock Code: 1007)**

## **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**

**Cheong Lee**  
昌利證券

On 19 December 2024 (after trading hours), the Vendor entered into (i) the Placing Agreement with the Placing Agent and the Company; and (ii) the Subscription Agreement with the Company. Pursuant to the Placing Agreement, the Placing Agent have agreed to place, on a best efforts basis, to independent Placees for up to 21,000,000 existing Shares at the price of HK\$0.12 per Placing Share, for and on behalf of the Vendor. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for such number of new Shares as is equal to the number of Placing Shares successfully placed by the Placing Agent at the price of HK\$0.12 per Subscription Share.

The Placing is unconditional, but the completion of Subscription is subject to (i) the completion of the Placing and (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Subscription Shares. If such conditions are not fulfilled, the Subscription will not proceed.

The net proceeds from the Subscription of approximately HK\$2.42 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for general working capital of the Group.

## THE PLACING AGREEMENT

- Date: 19 December 2024 (after trading hours).
- Vendor: Shui Chak Group Limited. The ultimate beneficial owner of the Vendor is Mr. Hung Shui Chak, chairman and executive Director of the Company. The Vendor is beneficially holding 52,842,462 Shares, representing approximately 31.34% of the Company as at the date of this announcement.
- Placing Agent: Cheong Lee Securities Limited. The Placing Agent and its ultimate beneficial owners are Independent Third Parties.
- Placees: The Placing Shares will be placed to one or more Placees (who will be independent individual, corporate or other investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no Placee will become a substantial Shareholder (as such term is defined in the Listing Rules) immediately following completion of the Placing and the Subscription. If the number of Placees shall be less than six, the Company will issue a further announcement in accordance with the Listing Rules.
- Number of Placing Shares: Up to 21,000,000 existing Shares, to be placed by the Placing Agent on a best efforts basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 12.46% of the entire issued share capital of the Company of 168,592,867 Shares as at the date of this announcement and approximately 11.08% of the Company's entire issued share capital as enlarged by the Subscription.
- Placing Price: HK\$0.12 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:
- (a) A discount of approximately 11.11% to the closing price of HK\$0.135 per Share as quoted on the Stock Exchange on 19 December 2024, being the date of the Placing Agreement; and

- (b) a discount of approximately 10.45% to the average closing price of approximately HK\$0.134 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately before the date of the Placing Agreement.

Placing Commission: The Placing Agent will receive a placing commission of 1% on the gross proceeds of the Placing.

Completion of the Placing: The Placing is unconditional and completion of the Placing is expected to take place on or before 31 December 2024 (or such other time or date as the Vendor and the Placing Agent may agree in writing).

Termination: The Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if in the absolute opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 consecutive trading days (other than in connection with the Placing); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof 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 or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or

- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (f) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands, or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (g) any change or deterioration in the conditions of local, national or international securities markets.

## **THE SUBSCRIPTION AGREEMENT**

Date: 19 December 2024 (after trading hours).

Subscriber: The Vendor.

Number of Subscription Shares: The Company will issue such number of new Shares to the Vendor as is equal to the number of Placing Shares successfully placed by the Placing Agent pursuant to the Placing. Assuming the Placing Shares are fully placed, the Company will issue 21,000,000 Subscription Shares to the Vendor, representing approximately 12.46% of the entire issued share capital of the Company of 168,592,867 Shares as at the date of this announcement and approximately 11.08% of the Company's entire issued share capital as enlarged by the Subscription. The nominal value of the Subscription Shares is HK\$84,000.

Subscription Price: HK\$0.12 per Subscription Share, which is the same as the Placing Price. Subject to the Subscription being completed, the Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Subscription is estimated to be approximately HK\$2.42 million (assuming the Placing Shares are fully placed). As a result, the net price per Subscription Share will be approximately HK\$0.115.

- General Mandate: The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 21 May 2024 up to 21,074,573 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate.
- Ranking of Subscription Shares: The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.
- Conditions to the Subscription: The Subscription is conditional upon the following conditions:
- (a) the approval for listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange; and
  - (b) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.
- Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Subscription Shares.
- No Shareholders approval is required for the Subscription.
- Completion of the Subscription: Subject to the satisfaction of all the conditions set out above, the Subscription is expected to be completed within 14 days from the date of the Subscription Agreement, i.e. 2 January 2025 or such later time and/or such other date as the Vendor and the Company may agree in writing. If the Subscription is to be completed after 2 January 2025, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

## EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The shareholdings in the Company as at the date hereof, immediately after completion of the Placing but before completion of the Subscription, and immediately after completion of both Placing and the Subscription are and will be as follows:

| Shareholders                                | As at the date of<br>this announcement |               | Immediately after<br>completion of the<br>Placing but before<br>completion<br>of the Subscription |               | Immediately after<br>completion<br>of the Placing and<br>Subscription |               |
|---|--|---------------|---|---------------|---|---------------|
|   | No. of Shares                          | %             | No. of Shares   | %             | No. of Shares   | %             |
| Shui Chak Group Limited <sup>(note 1)</sup> | 52,842,462                             | 31.34         | 31,842,462  | 18.88         | 52,842,462  | 27.87         |
| So Kam Chuen <sup>(note 2)</sup>            | 948,233                                | 0.56          | 948,233   | 0.56          | 948,233   | 0.50          |
| Yuan Mingjie <sup>(note 2)</sup>            | 751,360                                | 0.45          | 751,360   | 0.45          | 751,360   | 0.40          |
| Placeses                                    | 0                                      | 0.00          | 21,000,000  | 12.46         | 21,000,000  | 11.08         |
| Other public Shareholders                   | <u>114,050,812</u>                     | <u>67.65</u>  | <u>114,050,812</u>  | <u>67.65</u>  | <u>114,050,812</u>  | <u>60.15</u>  |
| Total                                       | <u>168,592,867</u>                     | <u>100.00</u> | <u>168,592,867</u>  | <u>100.00</u> | <u>189,592,867</u>  | <u>100.00</u> |

Notes:

1. Shui Chak Group Limited is wholly owned by Mr. Hung Shui Chak, chairman and executive Director.
2. Mr. So Kam Chuen and Mr. Yuan Mingjie are executive Directors.

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

The Group is principally engaged in the operation of a hotpot restaurant chain.

In view of the current market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its business needs. The Directors consider the terms of the Placing Agreement and the Subscription Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$0.1 million in connection with the Placing and the Subscription. The net proceeds of approximately HK\$2.42 million from the Subscription will be used for general working capital of the Group.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities for the 12 months immediately before the date of this announcement:

| <b>Date of announcement</b> | <b>Event</b>                                 | <b>Net proceeds</b>            | <b>Intended use of proceeds</b>  | <b>Actual use of proceeds as at the date of this announcement</b> |
|-----------------------------|--|--------------------------------|--|---|
| 8 April 2024                | Placing of new shares under specific mandate | Approximately HK\$28.8 million | HK\$25.9 million for repayment of the Group indebtedness and interest expenses and as to HK\$2.9 million as general working capital of the Group | All net proceeds has been utilized as intended                    |

### DEFINITIONS:

Unless the context otherwise requires, the following terms shall have the meanings set out below:

|                       |  |
|-----------------------|--|
| “Board”               | board of Directors   |
| “Company”             | Longhui International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1007) |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules   |
| “Director(s)”         | director(s) of the Company   |
| “Group”               | the Company and its subsidiaries   |
| “Hong Kong”           | the Hong Kong Special Administrative Region of the People’s Republic of China  |

|                                |  |
|--------------------------------|--|
| “Independent Third Party(ies)” | a third party who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is independent of the Company and its connected persons |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Placee”                       | any individual, corporate or other investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement                              |
| “Placing”                      | the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement  |
| “Placing Agent”                | Cheong Lee Securities Limited  |
| “Placing Agreement”            | the placing agreement entered into between the Vendor, the Placing Agent and the Company dated 19 December 2024 in relation to the Placing                                     |
| “Placing Price”                | HK\$0.12 per Placing Share   |
| “Placing Shares”               | Up to 21,000,000 Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement  |
| “Share(s)”                     | ordinary share(s) of HK\$0.004 each in the share capital of the Company  |
| “Shareholder(s)”               | holder(s) of the Share(s)  |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited  |
| “Subscription”                 | the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement  |
| “Subscription Agreement”       | the conditional subscription agreement entered into between the Company and the Vendor dated 19 December 2024 in relation to the Subscription                                  |
| “Subscription Price”           | HK\$0.12 per Subscription Share  |



|                       |   |
|-----------------------|---|
| “Subscription Shares” | Shares to be subscribed by the Vendor pursuant to the Subscription Agreement, which is equivalent to the number of Placing Shares successfully placed under the Placing Agreement |
| “Vendor”              | Shui Chak Group Limited, a company incorporated in the British Virgin Islands with limited liability  |
| “HK\$”                | Hong Kong dollars, the lawful currency of Hong Kong   |
| “%”                   | per cent.   |

By order of the Board  
**Longhui International Holdings Limited**  
**Hung Shui Chak**  
*Chairmen and executive director*

Hong Kong, 19 December 2024

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen and Mr. Yuan Mingjie; and three independent non-executive Directors, namely Mr. Cheung Ting Pong, Mr. Tam Bing Chung Benson and Ms. Leung Chee Wai Mochi.*