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Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8510)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

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The Board is pleased to announce that on 25 October 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 33,177,600 Subscription Shares at the Subscription Price of HK\$0.100 per Subscription Share. The Subscription is subject to various conditions set out below under the paragraph headed “Conditions of the Subscription” of this announcement.

The Subscription Shares represent (i) approximately 20.0% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares will be HK\$331,776.

The Subscription Price is fixed at HK\$0.100 per Subscription Share, which represents (i) a premium of approximately 38.9% to the closing price of HK\$0.072 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreement; and (ii) a premium of approximately 23.46% to the average closing price of approximately HK\$0.081 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement.

The Subscription Shares will be issued and allotted pursuant to the General Mandate.

The proceeds from the Subscription will be HK\$3,317,760. The Company intends to apply the proceeds from the Subscription as general working capital of the Group.

Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 25 October 2024 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 33,177,600 Subscription Shares at the Subscription Price of HK\$0.100 per Subscription Share. The Subscription is subject to various conditions set out below under the paragraph headed “Conditions of this Subscription” of this announcement. Principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date: 25 October 2024 (after trading hours of the Stock Exchange)

Parties: (1) the Company (as the issuer); and
(2) the Subscriber.

The Subscriber, Mr. Hng Bok Chuan is a business owner in the infrastructure industry and an investor in the capital markets of Australia, Hong Kong and the PRC.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscriber is an Independent Third Party. Immediately before entering into of the Subscription Agreement, the Subscriber does not have any interests in the Shares.

The Subscription Shares

The Subscription Shares represent (i) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion.

The aggregate nominal value of the Subscription Shares will be HK\$3,317,760.

Subscription Price

The Subscription Price of HK\$0.100 per Subscription Share represents:

- (a) a premium of approximately 38.9% to the closing price of HK\$0.072 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreement; and
- (b) a premium of approximately 23.46% to the average closing price of HK\$0.081 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of the allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion;
- (b) the necessary consents and approvals in relation to the Subscription Agreement and the transactions contemplated thereunder having been obtained; and
- (c) the representation and warranties of the Company remaining true and accurate in all material respects and are not misleading as at the date of the Subscription Agreement and the date of Completion.

The Subscriber may waive any conditions, except the condition referred to in (a) above which may not be waived by any party to the Subscription Agreement. If the above conditions are not fulfilled or waived (as the case may be) by 30 November 2024 (or such other date as the parties may agree in writing), the Subscription Agreement will be automatically terminated and lapsed and none of the parties to the Subscription Agreement shall have any claim against the other in respect of the Subscription, save for any antecedent breaches thereof.

Completion

Completion of the Subscription will take place within ten days after the conditions precedent to the Subscription are satisfied after the approval of listing (or such other date as may be agreed between the Company and the Subscriber in writing).

Completion of the Subscription is subject to fulfillment of the conditions precedent in the Subscription Agreement and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

General Mandate

The Subscription Shares will be allotted and issued pursuant to the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 33,177,600 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. As no new Shares have been allotted and issued by the Company under the General Mandate and the Subscription Shares fall within the limit as authorised under the General Mandate, the issue of the Subscription Shares is not subject to the approval by the Shareholders.

APPLICATION FOR LISTING

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

INFORMATION OF THE GROUP

The Company is an investment holding company and the Group is a restaurant group that operates restaurants and bar in Hong Kong and South-east Asia and online sales of wines.

INFORMATION OF THE SUBSCRIBER

The Subscriber, Mr. Hng Bok Chuan is a business owner in the infrastructure industry and an investor in the capital markets of Australia, Hong Kong and the PRC.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The proceeds from the Subscription will be HK3,317,760. The Company intends to apply the proceeds from the Subscription as general working capital of the Group.

The Directors are of the view that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 165,888,000 Shares in issue. The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion:

	As at the date of this announcement		Immediately after Completion of the Subscription	
	<i>Number of shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of shares held</i>	<i>Approximate % of Shares in issue</i>
Substantial Shareholders and Directors				
JSS Group Corporation (<i>Note 1</i>)	46,188,800	27.84%	46,188,800	23.20%
Axis Motion Limited	23,040,000	13.89%	23,040,000	11.57%
Focus Dynamics Group Berhad	19,200,000	11.57%	19,200,000	9.65%
Subscriber	–	–	33,177,600	16.67%
Other public Shareholders	77,459,200	46.70%	77,459,200	38.91%
Total	<u>165,888,000</u>	<u>100.00%</u>	<u>199,065,600</u>	<u>100.00%</u>

Note:

- (1) Mr. Chuk Stanley, the chairman and an executive Director, directly owns 100% equity interests in JSS Group Corporation. As such, Mr. Chuk Stanley was deemed to be interested in all the shares held by JSS Group Corporation pursuant to Part XV of the SFO.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The following is the fund raising activity conducted by the Company in the past 12 months immediately before this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of proceeds as at the date of this announcement
6 December 2023	Issue of 276,480,000 shares under general mandate	Approximately HK\$3.5 million	General working capital	General working capital

GENERAL

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 21 June 2024
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday and a public holiday) on which banks are open for business in Hong Kong
“Company”	Top Standard Corporation (Stock code: 8510), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on GEM
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party(ies) independent of the Company and its connected persons

“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 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
“Subscriber”	Mr. Hng Bok Chuan
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 25 October 2024 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.100 per Subscription Share
“Subscription Shares”	an aggregate of 33,177,600 Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“%”	per cent

By Order of the Board
Top Standard Corporation
Chuk Stanley
Executive Director

Hong Kong, 25 October 2024

As at the date of this announcement, the executive Directors are Mr. Chuk Stanley and Mr. Ying Kan Man, and the independent non-executive Directors are Mr. Tang Chiu Ming, Jeremy, Ms. Ding Weiyu and Mr. Lynch Stephen Joseph Chor.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.topstandard.hk.