

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 is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or other securities of the Company.



ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

ISSUE OF CONVERTIBLE BONDS

On 1 April 2021 (after trading hours), the Company as guarantor, Apex Centric (a direct wholly-owned subsidiary of the Company) as issuer and the Subscriber entered into the Subscription Agreement, pursuant to which Apex Centric agreed to issue, and the Subscriber agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$129,500,000, on the terms and subject to the conditions set out therein.

Based on the initial Conversion Price (subject to adjustment events) of HK\$0.19 per Conversion Share and assuming full conversion of the Convertible Bonds at the initial Conversion Price, a maximum number of 681,578,947 Shares will be allotted and issued by the Company, which represents (i) approximately 19.97% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.65% of the total number of issued Shares as enlarged by the issue of Conversion Shares (assuming that there will be no change in the total number of issued Shares from the date of this announcement until the completion of the conversion of the Convertible Bonds in full at the initial Conversion Price).

The gross proceeds and net proceeds from the issue of the Convertible Bonds will be HK\$129,500,000 and approximately HK\$128,000,000, respectively. It is expected that the net proceeds will be used for general corporate purposes.

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Conversion Shares will, upon their issue, rank pari passu in all aspects with the other Shares in issue.

GENERAL MANDATE

The Conversion Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Bonds) are not subject to the Shareholders' approval.

Completion of the Subscription Agreement is subject to fulfilment of all conditions set out in the paragraph headed "Conditions precedent" below. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

On 1 April 2021 (after trading hours), the Company as guarantor, Apex Centric (a direct wholly-owned subsidiary of the Company) as issuer and the Subscriber entered into the Subscription Agreement, pursuant to which Apex Centric agreed to issue, and the Subscriber agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$129,500,000, on the terms and the subject to the conditions set out therein.

The principal terms of the Subscription Agreement are summarised below:

Date	1 April 2021
Parties	(1) Apex Centric (a direct wholly-owned subsidiary of the Company), as issuer; (2) the Subscriber, as subscriber; and (3) the Company, as guarantor.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

Principal amount	Pursuant to the Subscription Agreement, the Subscriber conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$129,500,000.
Conditions precedent	Completion of the Subscription Agreement shall be subject to and conditional upon, among others, the following conditions precedent being satisfied (or, if applicable, waived by the Subscriber): (a) the Subscriber having obtained a certified copy of certain corporate documents of the Company and Apex Centric in form and substance satisfactory to the Subscriber;

- (b) the board of directors of each of the Company and Apex Centric having passed and having delivered to the Subscriber a certified copy of the resolution(s) to approve and confirm, among others, the terms of and the transactions contemplated by the Subscription Agreement, the Deed of Undertaking, the Share Charge and the Deed of Guarantee to which it is a party;
- (c) the execution and delivery of the Transaction Documents (other than the Subscription Agreement) by the respective parties in a form satisfactory to the Subscriber;
- (d) the Company and Apex Centric having obtained and having delivered to the Subscriber all consents and approvals required in relation to the issue of the Convertible Bonds and the performance of their respective obligations under the Transaction Documents and the Convertible Bonds;
- (e) the Subscriber having obtained a director's certificate from each of the Company and Apex Centric (in form and substance satisfactory to the Subscriber) confirming that the issuance of the Convertible Bonds and provision of guarantee and security in respect of the Convertible Bonds and the entering into of the relevant Transaction Documents are within their respective powers and will not cause any limits to be exceeded;
- (f) (i) the representations and warranties of each of the Company and Apex Centric in the Subscription Agreement being true, accurate and correct; (ii) each of the Company and Apex Centric having performed all of their respective obligations under the Subscription Agreement to be performed on or before the Completion Date; and (iii) the Subscriber having obtained a certificate signed by a duly authorised officer of each of the Company and Apex Centric substantially in the form set forth in the Subscription Agreement confirming various matters in relation to the Subscription Agreement;
- (g) the Stock Exchange having approved the issuance of the Convertible Bonds and having agreed, subject to any conditions reasonably satisfactory to the Subscriber, to list the Conversion Shares upon conversion of the Convertible Bonds;
- (h) after the date of the Subscription Agreement and as at the Completion Date, no material adverse change has occurred or likely to occur taking into account the facts and circumstances subsisting at the Completion Date;

- (i) the Subscriber having obtained legal opinions in form and substance satisfactory to the Subscriber as to Cayman Islands, British Virgin Islands and Hong Kong laws in respect of the Transaction Documents and the Convertible Bonds; and
- (j) the Subscriber having obtained in form and substance satisfactory to the Subscriber, copies of the title reports on the Property, the financial statement of Apex Frame for the year ended 31 December 2019, the insurance policies of the Property and the initial valuation report on the Property issued by Ascent Partners Valuation Service Limited, an independent valuer, dated 26 March 2021.

The Subscriber may waive, in writing, any of the conditions precedent set out above (other than condition (g) above which may not be waived).

Completion

Completion shall take place on 7 April 2021 or such later date as Apex Centric and the Subscriber may agree. Apex Centric shall issue the Convertible Bonds to the Subscriber at Completion.

Security and Guarantee

Pursuant to the Subscription Agreement, the Convertible Bonds shall be:

- (a) guaranteed by the Company pursuant to a Deed of Guarantee given by the Company as a guarantor in favour of the Subscriber to secure the payment obligations of Apex Centric under the Convertible Bonds; and
- (b) secured by a Share Charge entered into by the Company as chargor in favour of the Subscriber on the entire issued share capital of Apex Centric.

Right of first refusal and co-development right

Pursuant to the Subscription Agreement, a Deed of Undertaking shall be entered into by, among others, Apex Centric, the Company, Apex Frame and the Subscriber, pursuant to which:

- (a) Each of the Company, Apex Centric and Apex Frame shall jointly and severally grant to the Subscriber (or its nominated affiliates) a right of first refusal to purchase the Property and/or the shares of Apex Frame and/or the shares of Apex Centric, which shall be exercisable by the Subscriber in the event that any of Apex Centric, the Company and/or Apex Frame (i) enters into discussions with any party to sell, dispose, transfer or exchange the Property or any parts of it or the shares of Apex Frame or any legal or equitable interest in such shares or the shares of Apex Centric or any legal or equitable interest in such shares; and (ii) receives a firm offer (subject only to closing conditions which are customary in a sale of real estate property of similar nature) from an independent third party setting out the offer price.

- (b) Within three years of the date of the Deed of Undertaking, each of the Company, Apex Centric and Apex Frame shall initiate good faith discussions and use best endeavours to enter into definitive agreement(s) with the Subscriber (or its nominated affiliates) in relation to the co-development of the Property. In the event that any of the Company, Apex Centric and Apex Frame decides to redevelop the Property, the Company, Apex Frame and Apex Centric shall grant to the Subscriber (or its nominated affiliates) a co-development right with a share of no less than 80% economic interests of the development of the Property.

The right of first refusal and the co-development right shall lapse in the event that, among others:

- (i) the Subscriber (or its nominated affiliates) has not exercised its right of first refusal to purchase the Property or the shares of Apex Frame or the shares of Apex Centric or where the Subscriber has exercised the right of first refusal but such sale is not completed in accordance with the Deed of Undertaking due to any default on the part of the Subscriber (or its nominated affiliates), the Company, Apex Centric and Apex Frame shall be free to sell the Property or the shares of Apex Frame or Apex Centric to other third party and the Subscriber's right of first refusal and co-development right shall lapse; or
- (ii) the Relevant Threshold falls below 75% at any time, except as caused by reason of any early redemption of the Convertible Bonds initiated by Apex Centric or any events of default under the terms and conditions of the Convertible Bonds. The "Relevant Threshold" shall be the sum of "X" and "Y" where:

"X" means the product of the outstanding principal amount of the Convertible Bonds held by the Subscriber and its affiliates (taken together on an aggregated basis) divided by HK\$129,500,000, multiplied by 100%; and

"Y" means the product of the number of Conversion Shares (subject to any adjustment as a result of any share consolidation or subdivision of the Shares) which are held by the Subscriber and its affiliates and representatives (taken together on an aggregated basis) divided by 681,578,947 (subject to any adjustment as a result of any share consolidation or subdivision of the Shares), multiplied by 100%.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

Issuer	The Convertible Bonds shall be issued by Apex Centric.
Issue size	The aggregate principal amount of the Convertible Bonds shall be HK\$129,500,000.
Denomination	The Convertible Bonds shall be issued in registered form and in denominations of HK\$500,000 each of integral multiples thereof.
Issue price	100% of the principal amount of the Convertible Bonds.
Maturity date	Five (5) years from the date of the issuance of the Convertible Bonds.
Interest	<p>The Convertible Bonds bear interest from the issue date of the Convertible Bonds at 8% per annum on the outstanding principal amount of the Convertible Bonds, payable semi-annually in arrears.</p> <p>If Apex Centric fails to pay any amount payable by it under the Convertible Bonds on its due date or upon the occurrence of an event of default, then default interest shall accrue at a rate of 13% per annum.</p>
Initial Conversion Price	The initial Conversion Price shall be HK\$0.19 per Conversion Share (subject to adjustment events set out in and in accordance with the terms and conditions of the Convertible Bonds).
Adjustment events	<p>The Conversion Price shall be subject to adjustment upon the occurrence of any of the following events:</p> <ul style="list-style-type: none">(a) consolidation, subdivision, redesignation or reclassification of the Shares;(b) capitalisation of profits or reserves by the Company;(c) distributions (in cash or in specie) by the Company;(d) issue of Shares to all or substantially all Shareholders as a class by way of rights or issue or grant by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at less than 92.5% of the current market price per Share on the date when such issue or grant is announced;

- (e) issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (f) issue any Shares or grant to subscribe for, purchase or otherwise acquire Shares in each case at a price per Share which is less than 92.5% of the current market price on the date when such grant or issue is announced (other than issue of the Conversion Shares or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares);
- (g) if and whenever the Company or any of its subsidiaries, or any other company, person or entity shall issue any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 92.5% of the current market price on the date when such issue is announced;
- (h) if and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in adjustment event (g) above (other than in accordance with the terms of such securities) so that following such modification the consideration per Share is reduced and is less than 92.5% of the current market price on the date of when such issue is announced;
- (i) if and whenever the Company or any of its subsidiaries or any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders are entitled to participate in arrangements whereby such securities may be acquired by them; and
- (j) other events or circumstances not mentioned above which the Company or the Bondholder determines that an adjustment (if any) should be made to the Conversion Price.

Conversion period

The Convertible Bonds shall be convertible at any time on or after the date which is 41 days after the issue date of the Convertible Bonds and ending on the date which is ten (10) days prior to the Maturity Date (both dates inclusive)

Transferability	The Convertible Bonds may be transferred (in whole or in part but in any case in an authorised denomination) subject to, among others, (a) the right of first refusal of Apex Centric to purchase the Convertible Bonds; and (b) a Bondholder shall not transfer any Convertible Bonds to any person or entity (or its affiliates) which is engaged in a business which directly competes with the principal business of the Group.
Redemption at the option of Apex Centric	Unless previously redeemed, converted or purchased and cancelled and by giving not less than 30 nor more than 60 days' notice to the Bondholders, Apex Centric may on the date falling on the third anniversary of the Completion Date, or on the date falling on the fourth anniversary of the Completion Date (either date, the " Optional Redemption Date ") redeem in whole, but not in part, the then outstanding Convertible Bonds at their principal amount, together with any interest accrued but unpaid up to but excluding the relevant Optional Redemption Date.
Redemption at maturity	Unless previously redeemed, converted, purchased or cancelled, Apex Centric will redeem all of the Convertible Bonds on the Maturity Date at its principal amount together with accrued and unpaid interest on the Maturity Date.
Redemption for relevant event	<p>Following the occurrence of a Relevant Event, each Bondholder may, within a specified period, require Apex Centric to redeem all of its Convertible Bonds (or any part thereof) at their outstanding principal amount together with accrued and unpaid interest up to but excluding such date.</p> <p>A "Relevant Event" occurs:</p> <ul style="list-style-type: none"> (a) when the Shares cease to be listed or admitted to trading, or are suspended from trading for a period equal to or exceeding 30 consecutive Trading Days, on the Stock Exchange; (b) when less than 25% of the Company's total number of issued Shares are held by public and the Company fails to restore the public float within a specified period acceptable to the Stock Exchange in accordance with the Listing Rules; (c) when there is a Change of Control; (d) upon the occurrence of a Disposal; or (e) when the LTV Maintenance Ratio at any time exceeds 80% so long as any of the Convertible Bonds remain outstanding or any payment is due in respect of the Convertible Bonds or the Transaction Documents and Apex Centric fails to adjust the LTV Maintenance Ratio in accordance with the terms and conditions of the Convertible Bonds.

A “**Change of Control**” occurs when:

- (a) any person or persons (other than Mr. Chen Jianwen) acting together by contract or otherwise, acquires Control of the Company;
- (b) Apex Centric ceases to be 100% (either directly or indirectly) legally and beneficially owned by the Company, or the Company ceases to have (i) the right to appoint and/or remove all of the members of the board of directors or other governing body of Apex Centric, or (ii) the right to direct Apex Centric in its formation or amendment of operating or financial policies;
- (c) Apex Frame ceases to be 100% (either directly or indirectly) legally and beneficially owned by Apex Centric, or Apex Centric ceases to have (i) the right to appoint and/or remove all of the members of the board of directors or other governing body of Apex Frame, or (ii) the right to direct Apex Frame in its formation or amendment of operating or financial policies; or
- (d) Apex Centric or the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person, unless the consolidation, merger, sale or transfer will not result in such other person, individually or together with other persons, acquiring Control of Apex Centric or the Company or their respective successor.

“**Control**” means (i) the ownership, acquisition or control of more than 50% of the voting rights of the issued share capital of a person, whether obtained directly or indirectly, or (ii) the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“**Disposal**” means the sale or disposal by or on behalf of Apex Frame of the whole or any part of the Property, and the “occurrence of a Disposal” shall be deemed to have taken place upon the entering into of any agreement or arrangement in relation to the Disposal by Apex Frame, or the receipt by Apex Frame of any proceeds in relation to the Disposal, whichever is earlier.

“**LTV Maintenance Ratio**” means the loan-to-value ratio calculated in accordance with the terms and conditions of the Convertible Bonds.

Redemption on event(s) of default

Any Bondholder may give notice to the Company or Apex Centric that the Convertible Bonds held by such Bondholder are immediately due and repayable at their principal amount together with accrued interest (including any default interest (if any)) following the occurrence of an event of default (and if such event of default is capable of remedy but is not remedied by the Company, Apex Centric or Apex Frame within 14 Business Days after receiving a notice from any of the Bondholders, save as provided otherwise), which among others, includes the following:

- (a) Apex Centric fails to or the Company fails to procure Apex Centric to pay the principal, premium, interest or any other amount in respect of the Convertible Bonds when due; or
- (b) Apex Centric fails to or the Company fails to procure Apex Centric to deliver any Conversion Shares following conversion of the Convertible Bonds; or
- (c) Apex Centric or the Company does not perform or comply with any one or more of its other obligations in the Convertible Bonds or any Transaction Document which is not remedied in accordance with the terms and conditions of the Convertible Bonds; or
- (d) any other present or future indebtedness of Apex Centric or the Company (or its principal subsidiaries) for borrowings which becomes due and payable by reason of default or failure to pay when due on maturity which the aggregate amount equals or exceeds HK\$15 million or its equivalent; or
- (e) any representation or statement made or deemed to be made or repeated by any of Apex Centric, the Company (or its principal subsidiaries) or Apex Frame in any of the Transaction Documents or any other relevant documents is incorrect or misleading in any material respect; or
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company (or its principal subsidiaries), Apex Centric or Apex Frame which the aggregate amount equals or exceeds HK\$15 million or its equivalent; or
- (g) any present or future mortgage, charge, pledge, lien or other encumbrance created or assumed by the Company (or its principal subsidiaries), Apex Centric or Apex Frame becomes enforceable and any step is taken to enforce it against the whole or any material part of the property, assets or revenues of the Company (or its principal subsidiaries), Apex Centric or Apex Frame, which the aggregate amount being enforced equals or exceeds HK\$15 million or its equivalent; or

- (h) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of Apex Centric, Apex Frame or the Company (or its principal subsidiaries), or any of them ceases or threatens to cease to carry on all or a material part of its business or operations which equals to or exceeds HK\$15 million; or
- (i) Apex Centric, Apex Frame or the Company (or its principal subsidiaries) is, or deemed by law or a court of applicable jurisdiction to be, among others, insolvent or bankrupt or unable to pay its debts as they fall due, stops or suspends or threatens to stop or suspend payment of debt which equals to or exceeds HK\$15 million; or
- (j) it is or will become unlawful for Apex Centric, the Company (or its principal subsidiaries) or Apex Frame to perform or comply with any one or more of its obligations under the Convertible Bonds or any Transaction Document; or
- (k) the auditors who audit the Company's financial statements deliver or are expected to deliver a disclaimer on, or an adverse opinion or refuse to deliver an opinion, or a qualified opinion that the Company is not a going concern or that the accounts do not represent a true and fair view on the Company's financial statements; or
- (l) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events of default.

Ranking

The Convertible Bonds constitute direct, unconditional, unsubordinated and secured obligations of Apex Centric and shall at all times rank pari passu and without any preference or priority among themselves.

Conversion Shares issued upon exercise of conversion rights attached to the Convertible Bonds shall rank pari passu with, and carry the same rights in all aspects (including the rights to dividends) as, the other fully paid Shares then in issue.

Listing:

The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Conversion Shares

Based on the initial Conversion Price of HK\$0.19 per Conversion Share and assuming full conversion of the Convertible Bonds at the initial Conversion Price, a maximum number of 681,578,947 Shares will be allotted and issued by the Company which represent:

- (a) approximately 19.97% of the existing total number of issued Shares; and
- (b) approximately 16.65% of the total number of issued Shares as enlarged by the issue of Conversion Shares (assuming that there will be no change in the total number of issued Shares from the date of this announcement until the completion of the conversion of the Convertible Bonds in full at the initial Conversion Price).

The Conversion Shares will be allotted and issued under the General Mandate.

The Conversion Shares have a nominal value of HK\$6,815,789.47 and a market value of HK\$129.5 million, based on the closing price of HK\$0.19 on the date of the Subscription Agreement.

Conversion Price

The initial Conversion Price (subject to adjustment events) of HK\$0.19 per Conversion Share represents:

- (1) no premium nor discount to the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (2) approximately 2.37% premium to the average closing price of HK\$0.1856 per Share for the last five consecutive Trading Days immediately preceding the date of the Subscription Agreement.

The Conversion Price was arrived at based on arm's length negotiations between the parties with reference to the historical price and trading volume of the Shares, the existing capital market conditions, the funding needs and financial and trading prospects of the Group.

The Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 3,412,565,999 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after full conversion of the Convertible Bonds, assuming that the Conversion Price is HK\$0.19 per Conversion Share and there is no further allotment of Shares from the date of this announcement other than the Conversion Shares:

Shareholder	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds ^(Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Chen Jianwen ^(Note 1)	2,223,891,868	65.17	2,223,891,868	54.32
Mr. Ip Chun Heng, Wilson ^(Notes 1 and 2)	55,800,000	1.64	55,800,000	1.36
Ms. Chung Pui Wan ^(Notes 1 and 2)	55,800,000	1.64	55,800,000	1.36
Mr. Wan Yim Keung, Daniel ^(Note 1)	7,300,000	0.21	7,300,000	0.18
The Subscriber	–	0.00	681,578,947	16.65
Other public Shareholders	1,125,574,131	32.98	1,125,574,131	27.49
Total	3,412,565,999	100.0	4,094,144,946	100.0

Notes:

- As at the date of this announcement, each of Mr. Chen Jianwen, Mr. Ip Chun Heng, Wilson, Mr. Wan Yim Keung, Daniel and Ms. Chung Pui Wan is an executive Director.
- Mr. Ip Chun Heng, Wilson holds 3,000,000 Shares and Ms. Chung Pui Wan, the spouse of Mr. Ip Chun Heng, Wilson holds 52,800,000 Shares. Therefore, Mr. Ip Chun Heng and Ms. Chung Pui Wan are taken to be interested in 55,800,000 Shares respectively by virtue of the Securities and Futures Ordinance.
- The figures in this column are for illustrating the full dilution effect on the shareholding of the existing Shareholders and are arrived on based on the assumption that all the Convertible Bonds are converted at the initial Conversion Price.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of FEC. The principal activities of FEC and its subsidiaries are property development and investment, hotel operations and management, car park operations and facilities management, securities and financial product investments and gaming operations.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since 16 July 2003. The Group is principally engaged in the retail and wholesale of beauty and health-care products in Hong Kong, Macau and the PRC.

INFORMATION ON APEX CENTRIC AND APEX FRAME

Apex Centric is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, Apex Centric is a direct wholly-owned subsidiary of the Company.

Apex Frame is a company incorporated in Hong Kong with limited liability which is principally engaged in property holding, leasing and provision of property management and maintenance services in respect of the Property. As at the date of this announcement, Apex Frame is a direct wholly-owned subsidiary of Apex Centric.

USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The gross proceeds and net proceeds from the Subscription are estimated to be HK\$129,500,000 and approximately HK\$128,000,000, respectively. The Company intends to use the net proceeds from the Subscription for general corporate purposes.

As disclosed in the Company's annual results announcement for the year ended 31 December 2020 dated 26 March 2021, the outbreak of COVID-19 had a significant adverse impact on the economy of Hong Kong and the Group has implemented different cost control measures to minimise the impact. Given the market conditions, the Directors consider raising funds by issuing the Convertible Bonds will provide an opportunity for the Company to enhance its working capital and financial position and support the business development of the Group. The Directors consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and other Transaction Documents (including the Conversion Price and the interest rate of the Convertible Bonds) were arrived at after arm's length negotiations between the relevant parties, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

The Company did not conduct any fund raising activities by way of issue of equity securities in the past 12 months immediately prior to the date of this announcement.

GENERAL MANDATE

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 22 May 2020, the General Mandate was granted to the Directors to allot, issue and deal with the Shares, not exceeding the aggregate of 20% of the then total issued Shares as at the date of such annual general meeting, which amounted to 682,513,199 Shares. Based on the Conversion Price of HK\$0.19 (subject to adjustment events) per Conversion Share, up to 681,578,947 new Shares will be allotted and issued under the General Mandate upon full conversion of the Convertible Bonds. As at the date of this announcement, as no Shares have been issued under the General Mandate, the Company is entitled to issue up to 682,513,199 Shares under the General Mandate without further approval from the Shareholders.

APPLICATION FOR LISTING

No application will be made for the listing of the Convertible Bonds and the Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

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

DEFINITIONS

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

“Apex Centric”	Apex Centric Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company, principally engaging in investment holding
“Apex Frame”	Apex Frame Limited (傲林有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Apex Centric, principally engaging in property holding, leasing and provision of property management and maintenance services in respect of the Property in Hong Kong
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day(s)”	a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for business in Hong Kong
“Company”	Bonjour Holdings Limited (stock code: 653), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange

“Completion”	completion of the Subscription Agreement
“Completion Date”	7 April 2021 or such later date as Apex Centric and the Subscriber may agree
“Conversion Price”	the conversion price of the Convertible Bonds, initially being HK\$0.19 per Conversion Share (subject to events set out in and in accordance with the terms and conditions of the Convertible Bonds)
“Conversion Shares”	Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the 8% secured and guaranteed convertible bonds due 2026 in the aggregate principal amount of HK\$129,500,000 to be issued by Apex Centric guaranteed by the Company and convertible into the Conversion Shares
“Director(s)”	the director(s) of the Company
“Deed of Guarantee”	a deed of guarantee to be given by the Company as a guarantor in favour of the Subscriber to secure the payment obligations of Apex Centric under the Convertible Bonds
“Deed of Undertaking”	a deed of undertaking to be entered into by, among others, Apex Centric, the Company, Apex Frame and the Subscriber, in relation to the right of first refusal and the co-development right as detailed under the paragraph headed “The Subscription Agreement” in this announcement
“FEC”	Far East Consortium International Limited (遠東發展有限公司*) (stock code: 35), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 22 May 2020 to allot and issue up to 682,513,199 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* for identification purposes only

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	five (5) years from the date of the issuance of the Convertible Bonds
“PRC”	the People’s Republic of China
“Property”	ALL THOSE pieces or parcels of ground situated lying and being at Tsuen Wan, New Territories, Hong Kong and respectively registered in the Land Registry as LOT NO. 458 IN DEMARCATION DISTRICT NO. 443 AND LOT NO. 488 IN DEMARCATION DISTRICT NO. 443 TOGETHER with the messuages erections and buildings thereon now known as NOS. 36-42 and NOS. 44-50 WANG WO TSAI STREET, Tsuen Wan, New Territories, Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Charge”	a deed of share charge to be entered into by the Company as chargor in favour of the Subscriber on the entire issued share capital of Apex Centric
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Karfond Limited, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription of Convertible Bonds under the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 1 April 2021 entered into between Apex Centric, the Company and the Subscriber in relation to the subscription of Convertible Bonds in the principal amount of HK\$129,500,000
“Trading Day(s)”	a day when the Hong Kong Stock Exchange is open for dealing business

“Transaction Documents” include the Deed of Guarantee, the Deed of Undertaking, the Share Charge, the Subscription Agreement, the bond instrument and certificate of the Convertible Bonds

“%” per cent.

By order of the Board
Bonjour Holdings Limited
Chen Jianwen
Chairman

Hong Kong, 1 April 2021

As at the date of this announcement, the Board comprises Mr. Chen Jianwen, Mr. Ip Chun Heng, Wilson, Mr. Wan Yim Keung, Daniel, Ms. Chung Pui Wan, Mr. Kwan Tat Cheong and Ms. Chiu Lai Kuen, Susanna as executive Directors; Mr. Lee Kwun Kwan, Mr. Kwok Chi Shing and Mr. Yan Sherman Chuek-ning as independent non-executive Directors.