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NOBLE ENGINEERING GROUP HOLDINGS LIMITED

怡康泰工程集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8445)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Bloomyears Limited

THE PLACING AGREEMENT

On 25 July 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 48,500,000 Placing Shares to currently expected not less than six (6) Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price of HK\$0.34 per Placing Share pursuant to the General Mandate.

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of Placing Shares represents approximately 19.30% of the existing issued share capital of the Company of 251,280,000 Shares and approximately 16.17% of the issued share capital of the Company of 299,780,000 Shares as enlarged by the Placing Shares.

The Placing Price represents (i) a discount of approximately 17.1% to the closing price of HK\$0.410 per Share as quoted on the Stock Exchange on 25 July 2023, being the date of the Placing Agreement; and (ii) a discount of approximately 18.3% to the average closing price per Share of approximately HK\$0.416 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 July 2023, being the date immediately preceding the date of the Placing Agreement.

The Placing is conditional upon the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$16.5 million and HK\$15.8 million respectively. The Company intends to apply the net proceeds from the Placing for general working capital of the Group.

GENERAL

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

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

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

THE PLACING AGREEMENT

Date

25 July 2023 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing

The Placing Agent has conditionally agreed with the Company to place the Placing Shares to not less than six (6) Placees on a best effort basis. The Company will issue a further announcement upon the Completion.

The Placees

The Placing Shares will be placed to not less than six (6) Placees which will be professional, institutional, and/or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon the Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) after the Placing.

Number of Placing Shares

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of the Placing Shares represents approximately 19.30% of the existing issued share capital of the Company of 251,280,000 Shares and approximately 16.17% of the issued share capital of the Company of 299,780,000 Shares as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares will be HK\$2,425,000.

The Placing Shares will be allotted and issued under the General Mandate granted to the Board at the AGM of the Company held on 25 July 2022 pursuant to which the Board is authorised to allot, issue and deal with up to 50,256,000 Shares. As at the date of this announcement, the Company had not utilised the General Mandate, and the Placing Shares under the Placing represents approximately 96.50% of the entire General Mandate. The issue of the Placing Shares is not subject to the approval of the Shareholders.

Ranking of Placing Shares

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

Application for listing

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Placing Price

The Placing Price is HK\$0.34 per Placing Share, which represents:

- (a) a discount of approximately 17.1% to the closing price of HK\$0.410 per Share as quoted on the Stock Exchange on 25 July 2023, being the date of the Placing Agreement; and
- (b) a discount of approximately 18.3% to the average closing price per Share of approximately HK\$0.416 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 July 2023, being the date immediately preceding the date of the Placing Agreement.

The estimated expenses for the Placing are approximately HK\$0.7 million, comprising placing commission, other professional fees and expenses. Assuming that all the Placing Shares could be successfully placed out, the net issue price to the Company of each Placing Share is approximately HK\$0.32 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to current market conditions, prevailing market price and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

The Board also considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Commission

The Placing Agent will be entitled to a commission of 3.5% of the amount equivalent to the Placing Price multiplied by the number of Placing Shares actually placed. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size of the Placing and the current market conditions. The Directors are of the view that the placing commission payable under the Placing is fair and reasonable.

Conditions of the Placing

The Placing is conditional upon:

- (i) the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of the Company in respect of the Placing having been obtained.

If the foregoing conditions are not fulfilled on or prior to 10 August 2023 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination of the Placing

Notwithstanding anything contained in the Placing Agreement, if, at any time up to but no later than 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent the success of the Placing would or might be materially and adversely affected and making it impracticable to proceed with by:

- (i) any material breach of any of the representations, warranties and undertakings as provided by the Company to the Placing Agent under the Placing Agreement; or

- (ii) any of the following events:
- (a) 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
 - (b) 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 thereof 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
 - (c) 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
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

The Completion

The Completion shall take place on the Completion Date.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of wet trade works services.

Assuming all the 48,500,000 Shares are successfully placed, the gross proceeds and the net proceeds (after deduction of commission and other expenses of the Placing) from the Placing will be approximately HK\$16.5 million and HK\$15.8 million respectively. The Company intends to apply the net proceeds from the Placing for general working capital of the Group.

The Directors have considered various fund raising methods and believe that under the prevailing market conditions, the Placing represents a good opportunity to raise additional funds for the Group's business operation and as working capital of the Group. In addition, the Placing will broaden the Company's capital base and shareholders base without any interest burden. Moreover, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, the Directors consider that the Placing is in the interest of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

Shareholders	As at the date of this announcement		Immediately after the Completion (assuming all the Placing Shares have been issued and allotted)	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
Land Noble Holdings Limited ("Land Noble") (Note 2)	105,000,000	41.79	105,000,000	35.03
Placees	–	–	48,500,000	16.17
Other public Shareholders	146,280,000	58.21	146,280,000	48.80
Total	<u>251,280,000</u>	<u>100.00</u>	<u>299,780,000</u>	<u>100.00</u>

Notes:

1. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. Land Noble is beneficially owned as to 50% by Mr. Tse Chun Yuen (being the chairman of the Board and an executive Director) and 50% by Mr. Tse Chun Kuen (being an executive Director).

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST 12 MONTHS

Please refer to the announcements of the Company dated 2 June 2023, 5 June 2023, 8 June 2023, 14 June 2023, 21 June 2023, 6 July 2023 and 19 July 2023, respectively in relation to the placing of convertible bonds under general mandate (the “**Placing of CB**”). The Company terminated the Placing of CB on 18 July 2023.

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

Shareholders and potential investors should note that the Completion 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“AGM”	the annual general meeting of the Company held on 25 July 2022
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Noble Engineering Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on GEM (stock code: 8445)
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	not later than the next Business Day following the satisfaction of the conditions under the Placing Agreement (or such other date as the Company and the Placing Agent shall agree in writing)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors pursuant to the ordinary resolution passed by the Shareholders at the AGM to allot, issue and deal with up to a maximum of 50,256,000 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons in accordance with the GEM Listing Rules
“Listing Committee”	The Listing Committee of the Stock Exchange
“Placee(s)”	any individual(s), corporation(s) and/or institutional or professional investor(s) procured by or on behalf of the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligation under the Placing Agreement
“Placing”	the placing of the Placing Shares to currently expected not less than six (6) Placees on a best effort basis by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Bloomyeats Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 25 July 2023 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.34 per Placing Share
“Placing Shares”	up to 48,500,000 new Shares to be placed under the Placing
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.05 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
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Noble Engineering Group Holdings Limited
Tse Chun Yuen
Chairman and executive Director

Hong Kong, 25 July 2023

As at the date of this announcement, the executive Directors are Mr. Tse Chun Yuen, Mr. Tse Chun Kuen and Mr. Cao Yaqun, the non-executive Director is Ms. Dang Hongyang, and the independent non-executive Directors are Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Company Announcements” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.nobleengineering.com.hk.