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ASCENT INTERNATIONAL HOLDINGS LIMITED

中壘國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 264)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 8 November 2017, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has agreed to issue and the Subscriber has agreed to subscribe for 34,800,000 Subscription Shares (subject to adjustment) at a Subscription Price of HK\$0.705 per Subscription Share.

The 34,800,000 Subscription Shares (subject to adjustment) to be allotted and issued to the Subscriber represent (i) approximately 10.00% of the existing issued share capital of the Company of 347,904,000 Shares as at the date of this announcement; and (ii) approximately 9.09% of the Company's issued share capital of 382,704,000 Shares as enlarged by the issue and allotment of the Subscription Shares (assuming that there will be no adjustment to the number of Subscription Shares pursuant to the Subscription Agreement and no change in the issued share capital of the Company between the date of the Subscription Agreement and Completion save for the issue of such Subscription Shares).

The Subscription Price of HK\$0.705 was determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares. The Subscription Price represents (i) a discount of approximately 19.89% of the closing price of HK\$0.88 per Share as quoted on the Stock Exchange on 8 November 2017, being the date of the Subscription Agreement; and (ii) a discount of approximately 18.59% of the average closing price of HK\$0.866 per Share as quoted on the Stock Exchange for five consecutive trading days immediately prior to the date of the Subscription Agreement.

The gross proceeds in cash from the Subscription are approximately HK\$24,534,000 (subject to adjustment). The net proceeds from the Subscription, after deduction of related expenses, are estimated to be approximately HK\$24,400,000. The net proceeds from the Subscription will be approximately HK\$0.701 per Subscription Share. The net proceeds from the Subscription are intended to be used for general working capital and for financing any potential investment opportunities of the Group that may arise from time to time.

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM. As the Subscription Shares will be issued under the General Mandate, the allotment and issue of the Subscription Shares is not subject to Shareholders' approval.

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

The Board is pleased to announce that, on 8 November 2017, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has agreed to issue and the Subscriber has agreed to subscribe for 34,800,000 Subscription Shares (subject to adjustment) at a Subscription Price of HK\$0.705 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

Set out below are the salient terms of the Subscription Agreement:

Date

8 November 2017

Parties

- (a) Issuer: The Company
- (b) Subscriber: Mr. FANG, Chengyu (方誠鈺)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Number of Subscription Shares

Pursuant to the Subscription Agreement, 34,800,000 Subscription Shares (subject to adjustment) will be allotted and issued to the Subscriber, which represent (i) approximately 10.00% of the existing issued share capital of the Company of 347,904,000 Shares as at the date of this announcement; and (ii) approximately 9.09% of the Company's issued share capital of 382,704,000 Shares as enlarged by the issue and allotment of the Subscription Shares (assuming that there will be no adjustment of the number of Subscription Shares pursuant to the Subscription Agreement and no change in the issued share capital of the Company between the date of the Subscription Agreement and Completion save for the issue of such Subscription Shares).

The aggregate nominal value of the Subscription Shares (subject to adjustment) under the Subscription is HK\$348,000.

Adjustment to the number of Subscription Shares

If, upon execution of the Subscription Agreement, the projected cash to assets ratio of the Company immediately upon Completion exceeds 50% or such other percentage requested by the Stock Exchange (if any), the Company shall reduce the number of Subscription Shares offered to the Subscriber such that the projected cash to assets ratio of the Company will be 50% (or such percentage as requested by the Stock Exchange, if any).

Subscription Price

The Subscription Price of HK\$0.705 per Subscription Share represents:

- (i) a discount of approximately 19.89% of the closing price of HK\$0.88 per Share as quoted on the Stock Exchange on 8 November 2017, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 18.59% of the average closing price of HK\$0.866 per Share as quoted on the Stock Exchange for five consecutive trading days immediately prior to the date of the Subscription Agreement.

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

The aggregate consideration for the Subscription is HK\$24,534,000 and shall be payable by the Subscriber upon Completion in cash. The net proceeds from the Subscription, after deduction of related expenses, are estimated to be approximately HK\$24,400,000. The net Subscription Price (net of expenses) is approximately HK\$0.701 per Subscription Share.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will be fully paid and rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of such Subscription Shares.

Conditions Precedent

Completion shall be subject to the following conditions being satisfied:

- (1) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange before Completion (save for any temporary suspension in trading pending the release of an announcement in connection with the Subscription Agreement), the Stock Exchange or the Securities and Futures Commission not having expressed that it will raise any objection against the listing status of the Shares or require the trading of Shares to be suspended due to the transactions contemplated under the Subscription Agreement or any reasons in connection with the transactions contemplated thereunder; and
- (2) the Stock Exchange granting the approval for the listing of the Subscription Shares, and such approval not having been revoked before Completion.

Neither the Subscriber nor the Company shall have the right to waive the conditions above whether in part or in full.

Completion

Completion shall take place on or before the 10th Business Day following the satisfaction of the conditions set out above or such other date as agreed in writing by the Company and the Subscriber.

Termination

If any of the above conditions is not fulfilled before 30 November 2017 (or such other date as the Company and the Subscriber may agree in writing), or if the Company and the Subscriber agree in writing that the Subscription Agreement shall be terminated, all rights and obligations of the parties to the Subscription Agreement will then cease and determine and none of the parties to the Subscription Agreement shall have any claim against the other party save for any antecedent breaches of the Subscription Agreement.

REASONS FOR THE ISSUE OF THE SUBSCRIPTION SHARES AND USE OF PROCEEDS

The Directors consider that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the Subscription can strengthen the financial position of the Group and provide additional working capital to the Group to meet any future development and obligations. The Subscription also represents good opportunities to broaden the shareholder base and the capital base of the Company. It is expected that the net proceeds from the Subscription are intended to be used for general working capital and for financing any potential investment opportunities of the Group that may arise from time to time.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 347,904,000 Shares in issue. 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 adjustment to the number of Subscription Shares pursuant to the Subscription Agreement and no change in the issued share capital and shareholding structure of the Company between the date of the Subscription Agreement and Completion) are as follows:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares directly or indirectly held</i>	<i>Approximate percentage of the issued share capital of the Company</i>	<i>Number of Shares directly or indirectly held</i>	<i>Approximate percentage of the issued share capital of the Company</i>
Zhurong Global Limited	229,948,000	66.10%	229,948,000	60.09%
Public Shareholders				
Mr. Fang	–	–	34,800,000	9.09%
Other public shareholders	117,956,000	33.90%	117,956,000	30.82%
	<u>347,904,000</u>	<u>100.00%</u>	<u>382,704,000</u>	<u>100.00%</u>

INFORMATION ON THE PARTIES

The Company and the Group

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 April 2002 and the Shares of which have been listed on the Main Board of the Stock Exchange since 12 March 2003. The Group is a Hong Kong-based investment holding company principally engaged in leather products-related businesses, and mainly operates through two segments. The manufacturing segment is engaged in the manufacture and distribution of leather products, and the retail segment is engaged in the retailing of fashion apparel, footwear and leather accessories. The main brand under the Company is AREA 0264.

The Subscriber

The Subscriber is a Hong Kong resident and a private investor.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any capital fund raising activities in the 12 months period immediately before the date of this announcement.

APPLICATION FOR LISTING

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM held on 19 May 2017, under which the Directors are authorised to issue Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM, which is equivalent to a maximum issue of additional 69,580,800 Shares.

As at the date of the Subscription Agreement, the General Mandate has not been utilised and the Directors are allowed to issue up to 69,580,800 new Shares under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares. As the Subscription Shares will be issued under the General Mandate, the allotment and issue of the Subscription Shares is not subject to Shareholders' approval.

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

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 19 May 2017
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays) on which banks are open for business in Hong Kong
“Company”	Ascent International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 12 April 2002, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares, which is subject to the limit of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM
“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
“Independent Third Party”	person(s) who is/are independent of the Company and its connected persons and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	FANG, Chengyu (方誠鈺)
“Subscription”	the subscription by the Subscriber of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 8 November 2017 entered into among the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.705 per Subscription Share

“Subscription Share(s)” new Share(s) to be allotted and issued to the Subscriber pursuant to the Subscription Agreement, comprising a total of 34,800,000 new Shares to be allotted and issued to the Subscriber

“%” per cent.

By Order of the Board
Ascent International Holdings Limited
LI Wei
Chairlady

Hong Kong, 8 November 2017

As at the date of this announcement, the Board comprises one executive Director, namely Ms. Li Wei; one non-executive Director, namely Mr. Lui Kwok Wai; and four independent non-executive Directors, namely Mr. Cheng Shing Hay, Mr. Yau Pak Yue, Mr. Wong Kon Man Jason and Mr. Shen Xiao.