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Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8510)

DISCLOSEABLE TRANSACTION IN RELATION TO THE SUBSCRIPTION OF 49% EQUITY INTERESTS IN THE TARGET COMPANY

THE SUBSCRIPTION

The Board is pleased to announce that after the trading hours on 4 April 2023, the Subscriber entered into the Agreement with Mr. Ta Shun Dher, Mr. Koh Chee Loong, Ms. Siew Y'ng-lyn and the Target Company, the Subscriber has conditionally agreed to subscribe for and the Target Company has conditionally agreed to issue and allot 96,080 Subscription Shares at subscription price of RM1 (equivalent to approximately HK\$1.8) per Subscription Share and the Consideration of the Subscription was RM96,080 (equivalent to approximately HK\$172,944).

Upon Completion, the Subscriber will hold approximately 49% of the issued share capital of the Target Company as enlarged by the issue of the Subscription Shares. As such, the Target Company will become an associate of the Company and the financial results of the Target Group will not be consolidated into the accounts of the Group.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in relation to the Subscription are more than 5% but all of them are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion is conditional upon the satisfaction of the conditions set out in the paragraph headed "Conditions Precedent" in this announcement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

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Upon Completion, the Subscriber will hold approximately 49% of the issued share capital of the Target Company as enlarged by the issue of the Subscription Shares. As such, the Target Company will become an associate of the Company and the financial results of the Target Group will not be consolidated into the accounts of the Group.

THE AGREEMENT

Date

4 April 2023 (after trading hours)

Parties

1. The Subscriber;
2. Mr. Ta Shun Dher;
3. Mr. Koh Chee Loong;
4. Ms. Siew Y'ng-lyn; and
5. The Target Company.

(each a “**Party**”, and collectively, the “**Parties**”)

As at the date of this announcement, the Target Company is owned as to 54%, 37% and 9% by Mr. Ta Shun Dher, Mr. Koh Chee Loong and Ms. Siew Y'ng-lyn respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Target Company and its ultimate beneficial owners is an Independent Third Party. Details of the shareholders of the Target Company are disclosed in the section headed “INFORMATION OF THE PARTIES” below.

The Subscription

Pursuant to the Agreement, the Subscriber has conditionally agreed to subscribe for and the Target Company has conditionally agreed to issue and allot 96,080 Subscription Shares at subscription price of RM1 (equivalent to approximately HK\$1.8) per Subscription Share and the Consideration of the Subscription was RM96,080 (equivalent to approximately HK\$172,944).

As at the date of this announcement, the Target Company's total number of shares in issue is 100,000. Upon Completion, the Subscriber will hold 96,080 shares of the Target Company, representing approximately 49% of the issued share capital of the Target Company as enlarged by the issue of the Subscription Shares.

The Consideration

The Consideration amounts to RM96,080 (equivalent to approximately HK\$172,944). The Subscription Price is approximately RM1 (equivalent to approximately HK\$1.8) per Subscription Share. The Consideration will be settled by the Subscriber in cash upon Completion.

The Consideration will be satisfied by the internal resources of the Group.

Basis of Consideration

The Consideration was arrived at based on normal commercial terms after arm's length negotiations among the Parties and was determined with reference to among others (i) the unaudited consolidated net assets of the Target Group as at 31 December 2022 of approximately RM286,400 (equivalent to approximately HK\$515,520); and (ii) the reasons for the Subscription as discussed in the paragraph headed "REASONS FOR AND BENEFITS OF THE AGREEMENT" in this announcement.

Having considered the above factors, the Directors consider that the Consideration, which was arrived at after arm's length negotiations, is fair and reasonable.

Conditions Precedent

The Subscription shall be conditional upon fulfilment of the following conditions:

- (a) The Subscriber being satisfied that there is no material discrepancy between the Target Company's business, assets, licenses, legal and financial position as stated and disclosed therein in the Agreement and the outcome and findings of the due diligence exercise conducted by the Subscriber and its professional advisers. Notwithstanding anything to the contrary, in the event that there is material discrepancy but the same shall have no adverse effect on the Subscriber, this condition precedent shall be deemed fulfilled.

If the above conditions precedent has not been fulfilled on or before the Long Stop Date for any reason whatsoever, the Subscriber shall be entitled to terminate the Agreement by giving a notice in writing to the effect to the other Parties, whereupon the Agreement shall become void ab initio and none of the Parties shall have any claim against any other Party.

Completion

Upon fulfilment of all the conditions set out in the section headed "Conditions Precedent" above, Completion shall take place within 14 days after the satisfaction of all the conditions precedent.

Upon Completion, the Subscriber will hold approximately 49% of the issued share capital of the Target Company as enlarged by the issue of the Subscription Shares. As such, the Target Company will become an associate of the Company and the financial results of the Target Group will not be consolidated into the accounts of the Group.

INFORMATION ON THE PARTIES

The Target Company is a company incorporated in Malaysia with limited liability whose principal business activity is investment holding. The Target Company owns 100% equity interests of Aori Pavillion, a company incorporated in Malaysia with limited liability which is principally engaged in the operation of restaurant of Japanese ramen in Malaysia.

For illustration purpose only, the table below sets out the shareholding structure of the Target Company (i) as at the date of this announcement, and (ii) upon Completion (assuming that there is no other change in the issued share capital of the Target Company):

	As at the date of this announcement		Upon Completion	
	<i>Number of shares</i>	<i>Approximately percentage in the total number of issued shares</i>	<i>Number of shares</i>	<i>Approximately percentage in the total number of issued shares</i>
Shareholders				
The Subscriber	–	–	96,080	49.0
Mr. Ta Shun Dher	54,000	54.0	54,000	27.5
Mr. Koh Chee Loong	37,000	37.0	37,000	18.9
Ms. Siew Y'ng-lyn	9,000	9.0	9,000	4.6
	100,000	100.0	196,080	100.0

Mr. Ta Shun Dher is a businessman with directorship in different companies ranging from property development, food and beverage and retail etc. Mr. Koh Chee Loong is a businessman engaged in non ferrous metals, retail and food and beverage. Ms. Siew Y'ng-lyn is a merchant who has forayed into food and beverage and pioneered different Chinese restaurants in Malaysia.

Financial Information of the Target Group

Set out below is the financial information of the Target Group based on its audited consolidated financial statements of the Target Group for the year ended 31 December 2021 and unaudited consolidated financial statements of the Target Group for the year ended 31 December 2022:

	For the year ended 31 December 2022 RM (unaudited)	For the year ended 31 December 2021 RM (audited)
Profit (loss) before taxation	(93,922)	241,269
Profit (loss) after taxation	(95,073)	175,266

Based on the unaudited financial statements of the Target Group as at 31 December 2022, the unaudited net assets value of the Target Group as at 31 December 2022 amounted to approximately RM286,400 (equivalent to approximately HK\$515,520).

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group is principally engaged in the in the operation of full-service restaurants under our self-owned brands in Hong Kong.

The Group has been actively exploring business opportunities to diversify its business profile in order to bring valuable returns to the Shareholders. In view of the COVID-19 situation eases and the number of confirmed cases declines, the pandemic control measures were relaxed globally, it is expected that the catering business will gradually recover. The restaurant of the Target Group in Malaysia is well-established and has operated since 2018. It is well-recognized in Malaysia and has a broad customer base. The Directors are of the view that the Subscription is an opportunity for the Group to expand its investment geographic coverage to Malaysia and it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing investment portfolio and in view of broadening the Group's source of income.

In light of the above, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in relation to the Subscription are more than 5% but all of them are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion is conditional upon the satisfaction of the conditions set out in the paragraph headed “Conditions Precedent” in this announcement. Accordingly, the Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Agreement”	the subscription and shareholders’ agreement dated 4 April 2023 entered into among the Subscriber, Mr. Ta Shun Dher, Mr. Koh Chee Loong, Ms. Siew Y’ng-lyn and the Target Company in relation to the Subscription
“Aori Pavillion”	Aori Pavillion Sdn. Bhd., a company incorporated in Malaysia which is wholly-owned by the Target Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Top Standard Corporation, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM (Stock Code: 8510)
“Completion”	completion of the Subscription pursuant to the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration of RM96,080 (equivalent to approximately HK\$172,944) to be received by the Target Company for the Subscription
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules)
“Long Stop Date”	a period of thirty (30) days commencing on the date of the Agreement or such later date as the parties to the Agreement may agree upon in writing
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Share(s)”	ordinary share(s) HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Subscriber”	TOP THINKER GROUP LIMITED, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company and is principally engaged in investment holding
“Subscription”	the subscription of approximately 49.0% of the issued share capital of the Target Company as enlarged by the issue of the Subscription Shares by the Subscriber pursuant to the Agreement
“Subscription Price”	approximately RM1 (equivalent to approximately HK\$1.8) per Subscription Share
“Subscription Share(s)”	the 96,080 ordinary shares in the share capital of the Target Company to be allotted and issued by the Target Company to the Subscriber pursuant to the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Aori Malaysia Sdn. Bhd., a company incorporated in Malaysia with limited liability with 100,000 shares in issue before the Subscription
“Target Group”	collectively, the Target Company and Aori Pavillion
“%”	per cent.

Translation of RM into HK\$ is based on the exchange rate of RM1 = HK\$1.8.

By order of the Board of
Top Standard Corporation
Chuk Stanley
Chairman and Executive Director

Hong Kong, 4 April 2023

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. Wong Ching Wan, Mr. Tang Chiu Ming, Jeremy and Mr. Yip Ki Chi, Luke.

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 Listed Company Information” page of the 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.com.hk.