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偉俊集團控股有限公司\*  
**Wai Chun Group Holdings Limited**

*(Incorporated in Bermuda with limited liability)*  
**(Stock code: 1013)**

**(I) CANCELLATION OF SUBSCRIPTION AGREEMENT;  
(II) PROPOSED ISSUE OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE; AND  
(III) RESUMPTION OF TRADING**

**CANCELLATION OF SUBSCRIPTION AGREEMENT**

Reference is made to the announcement of the Company dated 27 November 2020 in relation to, among other things, the Subscription Agreement and the transactions contemplated thereunder.

After further discussion between the Subscriber and the Company, both parties agreed to cancel the Subscription Agreement and to enter into the CB Subscription Agreement instead. As such, on 30 November 2020, the Company and the Subscriber entered into cancellation agreement to cancel the Subscription Agreement with immediate effect.

**PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

On 30 November 2020, the Company entered into the CB Subscription Agreement with the Subscriber pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue the Convertible Bonds in the principal amount of HK\$60,000,000.

The Convertible Bonds carry the Conversion Rights to convert into the Conversion Shares at the Conversion Price of HK\$0.1 per Conversion Share (subject to adjustment). The subscription amount payable by the Subscriber under the CB Subscription Agreement shall be satisfied by the Subscriber in cash at Completion.

Assuming the Conversion Rights are exercised in full at the Conversion Price, 600,000,000 new Shares, being the Conversion Shares, may be allotted and issued to the Subscriber subject to certain conversion restrictions, representing approximately 28.05% of the total number of issued Shares as at the date of this

announcement and approximately 21.90% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares, assuming that there is no other change to the total number of Shares from the date of this announcement to the date when the Conversion Rights are exercised in full.

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the SGM.

No application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The SGM will be convened for the purpose of considering and approving, the CB Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds, the allotment and issue of the Conversion Shares, and the grant of the Specific Mandate. A circular containing, among other things, (i) further details of the CB Subscription Agreement and the Specific Mandate; and (ii) notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable.

To the best information, knowledge, and belief of the Board after having made all reasonable enquiries, as at the date of this announcement, the Subscriber does not hold any Shares and no Shareholder has any interest in the CB Subscription Agreement and the transactions contemplated thereunder that is materially different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM.

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Monday, 30 November 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 1 December 2020.

**Completion of the subscription of the Convertible Bonds is subject to the satisfaction of the conditions precedent set out in the CB Subscription Agreement. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

#### **CANCELLATION OF SUBSCRIPTION AGREEMENT**

Reference is made to the announcement of the Company dated 27 November 2020 in relation to, among other things, the Subscription Agreement and the transactions contemplated thereunder.

After further discussion between the Subscriber and the Company, both parties agreed to cancel the Subscription Agreement and to enter into the CB Subscription Agreement instead. As such, on 30 November 2020, the Company and the Subscriber entered into cancellation agreement to cancel the Subscription Agreement with immediate effect.

Upon such termination, all rights and obligations of the parties shall cease to have effect and no party shall have any claim against each other in connection with the Subscription Agreement. The Board considers that cancellation of the Subscription Agreement will not have any material adverse impact on the existing business, operational or financial conditions of the Group.

## **PROPOSED ISSUE OF CONVERTIBLE BONDS**

On 30 November 2020, the Company entered into the CB Subscription Agreement with the Subscriber pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue the Convertible Bonds, the principal terms of which are set out below:

Issuer	: The Company
Subscriber	: The Subscriber
Aggregate principal amount	: HK\$60,000,000
Issue price	: 100% of the principal amount of the Convertible Bonds
Status of the Convertible Bonds	: The Convertible Bonds constitute direct, unconditional, non-deferred and non-guaranteed obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference among themselves.
Initial conversion price	: HK\$0.1 per Conversion Share, subject to adjustments upon occurrence of certain events such as consolidation or sub-division of the Shares, capitalisation of profits or reserves, capital distribution, issue of new Shares for subscription by way of rights, issue of convertible or exchangeable securities, modification of rights of convertible or exchangeable securities.
Form and denomination	: The Convertible Bonds will be issued in registered form in the denomination of HK\$1,000,000 each.
Interest rate	: 4% per annum accrued on a daily basis of a 365-day year and payable quarterly in arrears.
Conversion Shares	: Based on the initial conversion price of HK\$0.1 per Conversion Share (subject to adjustments), a maximum of 600,000,000 Conversion Shares will be issued upon the full conversion of the Convertible Bonds in the aggregate principal amount of HK\$60,000,000.
Conversion period	: The period commencing from the issue date of the Convertible Bonds up to 4:00 p.m. on the day immediately prior to and exclusive of the maturity date of the Convertible Bonds.
Conversion rights and restrictions	: The holder of the Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right at any time

during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares provided further that (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted; and (ii) the exercise of the conversion right attaching to the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the Listing Rules, or result in the holder(s) of the Convertible Bonds and/or the parties acting in concert with any of them and/or their respective associates triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the holder(s) of the Convertible Bonds which exercised the Conversion Rights.

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| Early redemption at the option of the Company | : The Company shall be entitled at its sole discretion, by giving not less than fourteen (14) days' notice to the holders of the Convertible Bonds, propose to the holders to redeem the outstanding Convertible Bonds (in multiples of HK\$1,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds at any time after the date of issue of the Convertible Bonds up to and including the date falling fourteen (14) days immediately before the maturity date of the Convertible Bonds. |
| Ranking of Conversion Shares                  | : The Conversion Shares, when allotted and issued, shall rank <i>pari passu</i> in all respects with the Shares in issue on the relevant conversion date including the right to all dividends or other distributions, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the relevant conversion date.   |
| Maturity date                                 | : The date falling on the fifth anniversary of the date of issue of the Convertible Bonds.   |
| Voting rights                                 | : The Subscriber shall not have any right to attend or vote in any general meeting of the Company.   |
| Transferability                               | : Subject to compliance with the Listing Rules, the Convertible Bonds may be transferred or assigned in whole or in part in integral multiples of HK\$1,000,000 by the Subscriber to any party.  |
| Listing                                       | : No application will be made by the Company for the listing of the Convertible Bonds on the Stock   |

Exchange. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Security : The obligations of the Company under the Convertible Bonds are unsecured.

### **Conversion Shares**

Upon full conversion of the Convertible Bonds at the Conversion Price of HK\$0.1 each (subject to adjustments), a maximum of 600,000,000 Conversion Shares will be allotted and issued which represents:

- (i) approximately 28.05% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 21.90% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares (assuming no other changes in the issued share capital of the Company).

### **Conversion Price**

The Conversion Price of HK\$0.1 (subject to adjustments) per Conversion Share represents:

- (a) the par value of the Shares;
- (b) a premium of approximately 2.04% over the closing price of HK\$0.098 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 10.39% to the average closing price of approximately HK\$0.1116 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day (as adjusted by the effect of the share consolidation which became effective on 27 November 2020).

The Conversion Price of HK\$0.1 (subject to adjustments) per Conversion Share was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares and the par value of the Shares.

The Directors consider that the Conversion Price and the reasons for and benefits of the CB Subscription are fair and reasonable and are in the interests of the Shareholders as a whole.

### **Conditions precedent**

Completion of the CB Subscription Agreement is conditional upon:

- (i) the passing by the Shareholders of relevant resolutions at the SGM in compliance with the requirements of the Listing Rules approving (a) the CB Subscription Agreement and the transactions contemplated thereunder; and (b) the issue of the Convertible Bonds and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares to the Subscriber in accordance with the terms of the CB Subscription Agreement;
- (ii) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of the CB Subscription Agreement and the transactions

contemplated thereunder having been obtained;

- (iii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds; and
- (iv) none of the warranties given by the Subscriber thereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

The Company shall use its best endeavours to procure the fulfillment of the conditions precedent set out in conditions (i) and (iii) above as soon as practicable and in any event on or before the Long Stop Date. The Subscriber shall use its best endeavours to procure the fulfillment of the conditions precedent set out in conditions (ii) and (iv) above as soon as practicable and in any event on or before the Long Stop Date. The conditions precedent set out in conditions (i), (ii) and (iii) above are incapable of being waived. The Company may at any time by notice in writing to the Subscriber to waive the condition set out in condition (iv) above.

In the event that any of the conditions precedent referred to above is not fulfilled or waived (to the extent it is capable of being waived) on or before the Long Stop Date, the CB Subscription Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the CB Subscription Agreement save in respect of any antecedent breach of any obligation hereof.

### **Completion**

The completion of the CB Subscription Agreement shall take place at or before 4:00 p.m. on the second Business Day (or such other date as agreed by the Company and the Subscriber) after fulfillment of all the conditions precedent set out above.

### **INFORMATION ON THE SUBSCRIBER**

The Subscriber is an individual investor who is experienced in investments and the finance industry. As at the date of this announcement, to the best knowledge, information and belief of the Directors, the Subscriber is an Independent Third Party and does not hold any Shares.

### **INFORMATION ON THE GROUP**

The Group is principally engaged in (i) general trading; (ii) network and system integration by the production of software and provision of solutions and related services; (iii) investment holdings; and (iv) the provision of telecommunications infrastructure solution services.

### **REASONS FOR THE CB SUBSCRIPTION AND USE OF PROCEEDS**

As at 30 September 2020, the Group had net current liabilities of HK\$23.1 million and net liabilities of HK\$211.9 million. The Company has been looking for opportunities to improve its financial capabilities. The Directors consider that the issue of the Convertible Bonds represents a valuable opportunity to improve the financial position of the Group as a whole. Taking into account, among other matters, (i) the Convertible Bonds bear a low interest rate of 4% per annum and will be able to minimise the short-term financial burden to the Group; and (ii) the issue of the Convertible Bonds does not have an immediate dilution effect on the shareholding of the Company, the Directors consider that the terms of the CB Subscription Agreement (including the initial Conversion Price) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



The gross proceeds and net proceeds from the issue of the Convertible Bonds are estimated to be approximately HK\$60,000,000 and HK\$59,800,000 respectively. The Company intends to use the net proceeds for general working capital of the Group and for the future development of the Group's business.

## THE SPECIFIC MANDATE

The Conversion Shares will be issued pursuant to the Specific Mandate proposed to be sought from the Shareholders at the SGM.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below the shareholding structure of the Company as at the date of this announcement, and the effect on the shareholding structure of the Company upon completion of the allotment and issue of the Conversion Shares pursuant to the CB Subscription Agreement is as follows (assuming full conversion of the Convertible Bonds into the Conversion Shares and that there is no change in the number of issued Shares from the date of this announcement up to the date when the Conversion Rights are exercised in full):

Name of Shareholder	As at the date of this announcement		Immediately after full exercise of the Conversion Rights attaching to the Convertible Bonds <sup>(note 4)</sup>	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Ka Chun Holdings Limited <sup>(note 1)</sup>	1,554,338,600	72.66	1,554,338,600	56.75
Lam Ching Kui <sup>(note 2)</sup>	38,481,000	1.80	38,481,000	1.40
	<u>1,592,819,600</u>	<u>74.46</u>	<u>1,592,819,600</u>	<u>58.15</u>
The Subscriber <sup>(note 3)</sup>	-	-	600,000,000	21.90
Public Shareholders	<u>546,296,648</u>	<u>25.54</u>	<u>546,296,648</u>	<u>19.94</u>
Total	<u><u>2,139,116,248</u></u>	<u><u>100.00</u></u>	<u><u>2,739,116,248</u></u>	<u><u>100.00</u></u>

### Notes:

- (1) Ka Chun Holdings Limited, a company owned as to 100% by Wai Chun Investment Fund, which is wholly-owned by Mr. Lam Ching Kui, an executive Director, holds 1,554,338,600 Shares.
- (2) Mr. Lam Ching Kui, the Chairman and executive Director of the Company, directly holds 38,481,000 Shares.
- (3) The number of Shares and shareholding percentage are for illustration purpose only. The conversion of the Convertible Bonds is limited by certain restrictions, such that no holder of the Convertible Bonds shall convert the Convertible Bonds to an extent which would reduce the public float of the Company to below the percentage prescribed under the Listing Rules, or trigger the mandatory offer obligation under the Takeovers Code on the

part of the exercising holders of the Convertible Bonds and parties acting in concert with them, until and unless the regulatory requirements under the Takeovers Code and the Listing Rules are fully complied with.

- (4) Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## **EQUITY FUND RAISING EXERCISES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has conducted the following equity fund raising activities in the past 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activities</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
31 August 2020	Issue of convertible bonds of HK\$152,000,000 at the conversion price of HK\$0.18 per conversion share (subject to adjustment) under specific mandate	Approximately HK\$152,000,000	For settlement of debt due to the holder of the convertible bonds	For settlement of debt due to the holder of the convertible bonds
27 November 2020	Issue of convertible bonds of HK\$23,480,000 at the conversion price of HK\$0.18 per conversion share (subject to adjustment) under generate mandate	Approximately HK\$23,480,000	For settlement of debt due to the holder of the convertible bonds	For settlement of debt due to the holder of the convertible bonds

Save as disclosed above and the proposed issue of shares as disclosed in the announcement of the Company dated 27 November 2020 which is now terminated and not proceeded with as disclosed in this announcement, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## **GENERAL**

As the Conversion Shares will be allotted and issued under the Specific Mandate to be obtained at the SGM, the CB Subscription is subject to the Shareholders' approval. The SGM will be convened for the purpose of considering and approving, the CB Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds, the allotment and issue of the Conversion Shares, and the grant of the Specific Mandate. No Shareholder has any interest in the CB Subscription Agreement and the transactions contemplated thereunder that is materially different from the other Shareholders. Therefore, no



Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM.

None of the Directors has any material interest in the transactions contemplated under the CB Subscription Agreement who is required to abstain from voting in the Board meeting in respect of the CB Subscription Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the CB Subscription Agreement and the Specific Mandate; and (ii) notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Monday, 30 November 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 1 December 2020.

**Completion of the subscription of the Convertible Bonds is subject to the satisfaction of the conditions precedent set out in the CB Subscription Agreement. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9 : 00 a.m. and 12 : 00 noon and is not lowered at or before 12 : 00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CB Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the CB Subscription Agreement
“CB Subscription Agreement”	the conditional subscription agreement dated 30 November 2020 entered into between the Company and the Subscriber in relation to the CB Subscription
“Company”	Wai Chun Group Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion Date”	the date of closing, being the day falling on the second Business Day (or such other day as agreed by the Company and the Subscriber after fulfillment of all the conditions precedent set out in the CB Subscription Agreement

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	HK\$0.1 per Conversion Share, subject to adjustments and the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	new Shares to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Bonds by the Subscriber
“Convertible Bonds”	convertible bonds in an aggregate principal amount of HK\$60,000,000 to be issued by the Company, and subscribed by the Subscriber, pursuant to the CB Subscription Agreement
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Last Trading Day”	27 November 2020, being the last trading day of the Shares on the Stock Exchange prior to the date of this announcement
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 January 2021 or such other date as may be agreed by the Company and the Subscriber
“PRC”	People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and Macau Special Administrative Region
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to approve the CB Subscription Agreement and the transactions contemplated respectively thereunder
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Specific Mandate”	the specific mandate to the Board to allot, issue and deal with the Conversion Shares to be proposed for approval as an ordinary resolution of the Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Mr. Zhu Guiping (朱桂平先生), an Independent Third Party and the subscriber under the Subscription Agreement and the CB Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 27 November 2020 entered into between the Company and the Subscriber, the details of which are disclosed in the announcement of the Company dated 27 November 2020
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Wai Chun Group Holdings Limited**  
Lam Ching Kui  
*Chairman and Chief Executive Officer*

Hong Kong, 30 November 2020

*As at the date of this announcement, the Board consists of one executive Director, namely Mr. Lam Ching Kui (Chairman and Chief Executive Officer) and three independent non-executive Directors, namely Mr. Chan Wai Dune, Mr. Wang Wei and Ms. Chen Dairong.*

*\* for identification purposes only*