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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)

PROPOSED ALTERATION TO THE TERMS OF THE CONVERTIBLE BONDS

References are made to: (i) the announcements of the Company dated 21 May 2020, 30 June 2020, 29 July 2020 and the circular of the Company dated 29 July 2020 in relation to, among other things, the issuance by the Company of the First Convertible Bonds in the aggregate principal amount of HK\$152,000,000 to the First Bondholders; and (ii) the announcement of the Company dated 30 September 2020 in relation to, among other things, the issuance by the Company of the Second Convertible Bonds in the aggregate principal amount of HK\$23,480,000 to the Second Bondholders.

PROPOSED ALTERATION OF TERMS OF THE FIRST CONVERTIBLE BONDS

On 15 October 2021 (after trading hours), the Company and the First Bondholders have agreed to amend the terms of the First Convertible Bonds as follows:

- (i) the conversion price of the First Convertible Bonds be reduced from HK\$0.18 per Conversion Share to HK\$0.048 per Conversion Share;
- (ii) the Interest Rate be reduced from 4% per annum to 2% per annum;
- (iii) the First Convertible Bonds be redeemed at 98% of its principal amount at maturity; and
- (iv) the conversion rights attached to the First Convertible Bonds be only exercised on the condition that any conversion of the First Convertible Bonds does not: (aa) trigger a mandatory general offer obligation on the First Bondholders under Rule 26 of the Takeovers Code; and (bb) result in Mr. Lam Ching Kui and any parties acting in concert with him (including Ka Chun Holdings Limited) ceasing to be the controlling Shareholder of the Company within the meaning of the Listing Rules.

* for identification purpose only

As at the date of this announcement, none of the conversion rights attached to the First Convertible Bonds has been exercised by the First Bondholders.

Save for the Alteration of Terms of the First Convertible Bonds above, all other terms and conditions of the First Convertible Bonds remain unchanged and in full force and effect.

PROPOSED ALTERATION OF TERMS OF THE SECOND CONVERTIBLE BONDS

On 15 October 2021 (after trading hours), the Company and the Second Bondholders have agreed to amend the terms of the Second Convertible Bonds as follow:

- (i) the conversion price of the Second Convertible Bonds be reduced from HK\$0.18 per Conversion Share to HK\$0.048 per Conversion Share;
- (ii) the Interest Rate be reduced from 4% per annum to 2% per annum; and
- (iii) the Second Convertible Bonds be redeemed at 98% of its principal amount at maturity.

As at the date of this announcement, none of the conversion rights attached to the Second Convertible Bonds has been exercised by the Second Bondholders.

Save for the Alteration of Terms of the Second Convertible Bonds above, all other terms and conditions of the Second Convertible Bonds remain unchanged and in full force and effect.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. Accordingly, the Company will apply to the Stock Exchange for approval of the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds.

GENERAL

A SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve:

- (i) the Alteration of Terms of the First Convertible Bonds; and
- (ii) the Alteration of Terms of the Second Convertible Bonds.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than the Bondholders who shall abstain from voting on the resolution to approve the Alteration of Terms of the First Convertible Bonds, no Shareholder is required to abstain from voting on any of the resolutions to be proposed at the SGM.

A circular containing, inter alia, (i) further details of the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds; and (ii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 5 November 2021.

If any of the conditions precedent to the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds are not satisfied, the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds will not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any other securities of the Company.

References are made to: (i) the announcements of the Company dated 21 May 2020, 30 June 2020, 29 July 2020 and the circular of the Company dated 29 July 2020 in relation to, among other things, the issuance by the Company of the First Convertible Bonds in the aggregate principal amount of HK\$152,000,000 to the First Bondholders; and (ii) the announcement of the Company dated 30 September 2020 in relation to, among other things, the issuance by the Company of the Second Convertible Bonds in the aggregate principal amount of HK\$23,480,000 to the Second Bondholders.

As at the date of this announcement, none of the conversion rights attached to the First Convertible Bonds or the Second Convertible Bonds has been exercised by the First Bondholders or the Second Bondholders, respectively.

PROPOSED ALTERATION OF TERMS OF THE FIRST CONVERTIBLE BONDS

On 15 October 2021 (after trading hours), in accordance with the terms and conditions of the First Convertible Bonds, the Company and the First Bondholders have agreed amend the terms of the First Convertible Bonds as follows:

- (i) the conversion price of the First Convertible Bonds be reduced from HK\$0.18 per Conversion Share to HK\$0.048 per Conversion Share;
- (ii) the Interest Rate be reduced from 4% per annum to 2% per annum;

- (iii) the First Convertible Bonds be redeemed at 98% of its principal amount at maturity; and
- (iv) the conversion rights attached to the First Convertible Bonds be only exercised on the condition that any conversion of the First Convertible Bonds does not: (aa) trigger a mandatory general offer obligation on the First Bondholders under Rule 26 of the Takeovers Code; and (bb) result in Mr. Lam Ching Kui and any parties acting in concert with him (including Ka Chun Holdings Limited) ceasing to be the controlling Shareholder of the Company within the meaning of the Listing Rules.

Apart from the Alteration of Terms of the First Convertible Bonds above, all other terms and conditions of the First Convertible Bonds remain intact and unchanged.

To the best information, knowledge and belief of the Directors, save for being Shareholders interested in about 2.15% shareholding in the Company in total, the First Bondholders are independent third parties not connected with the Company and its connected persons, and are independent of and not connected with the Second Bondholders.

The Alteration of Terms of the First Convertible Bonds is conditional upon the following conditions:

- (a) the Stock Exchange granting its approval for the Alteration of Terms of the First Convertible Bonds;
- (b) the passing of an ordinary resolution by the Independent Shareholders at the SGM approving the Alteration of Terms of the First Convertible Bonds including the grant of the Specific Mandate; and
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of conversion rights attached to the First Convertible Bonds.

None of the above conditions are waiverable. If any of the conditions above are not fulfilled by 31 December 2021, the Alteration of Terms of the First Convertible Bonds will not proceed. Apart from the proposed Alternation of Terms of the First Convertible Bonds, all other terms of the First Convertible Bonds remain unchanged.

PROPOSED ALTERATION OF TERMS OF THE SECOND CONVERTIBLE BONDS

On 15 October 2021 (after trading hours), in accordance with the terms and conditions of the Second Convertible Bonds, the Company and the Second Bondholders have agreed amend the terms of the Second Convertible Bonds as follows:

- (i) the conversion price of the Second Convertible Bonds be reduced from HK\$0.18 per Conversion Share to HK\$0.048 per Conversion Share;
- (ii) the Interest Rate be reduced from 4% per annum to 2% per annum; and
- (iii) the Second Convertible Bonds be redeemed at 98% of its principal amount at maturity;

Apart from the Alteration of Terms of the Second Convertible Bonds above, all other terms and conditions of the Second Convertible Bonds remain intact and unchanged.

To the best information, knowledge and belief of the Directors, save for being Shareholders interested in about 6.08% shareholding in the Company in total, the Second Bondholders are independent third parties not connected with the Company and its connected persons, and are independent of and not connected with the First Bondholders.

The Alteration of Terms of the Second Convertible Bonds is conditional upon the following conditions:

- (a) the Stock Exchange granting its approval for the Alteration of Terms of the Second Convertible Bonds;
- (b) the passing of an ordinary resolution by the Independent Shareholders at the SGM approving the grant of the Specific Mandate; and
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of conversion rights attached to the Second Convertible Bonds.

None of the above conditions are waiverable. If any of the conditions above are not fulfilled by 31 December 2021, the Alteration of Terms of the Second Convertible Bonds will not proceed. Apart from the proposed Alternation of Terms of the Second Convertible Bonds, all other terms of the Second Convertible Bonds remain unchanged.

The Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds are not inter-conditional.

CONVERSION PRICE

Upon the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds taking effect, the Conversion Price would be HK\$0.048 per Conversion Share, subject to adjustments.

The Conversion Price represents:

- (i) the closing price per Share as quoted on the Stock Exchange of HK\$0.048 on 15 October 2021, being the date of this announcement; and
- (ii) a discount of approximately 39.5% to the average of the closing prices of HK\$0.0794 per Share for the last five consecutive trading days immediately preceding the date of this announcement.

The Conversion Price was determined by reference to the recent trading performance of the Shares on the Stock Exchange and the financial position of the Group.

If the outstanding First Convertible Bonds are fully converted at the Conversion Price of HK\$0.048 each, a maximum of 3,166,666,666 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the outstanding First Convertible Bonds in full, which represents:

- (i) approximately 148.0% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 54.6% of the issued share capital of the Company as to be enlarged by the issue of all the Conversion Shares after the exercise in full of the conversion rights attached to the First Convertible Bonds and the Second Convertible Bonds (assuming there being no other issue or repurchase of Shares).

If the outstanding Second Convertible Bonds are fully converted at the Conversion Price of HK\$0.048 each, a maximum of 489,166,666 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the outstanding Second Convertible Bonds in full, which represents:

- (i) approximately 22.9% of the issued share capital of the Company as at the date of this announcement; and

- (ii) approximately 8.4% of the issued share capital of the Company as to be enlarged by the issue of all the Conversion Shares after the exercise in full of the conversion rights attached to the First Convertible Bonds and the Second Convertible Bonds (assuming there being no other issue or repurchase of Shares).

According to the existing terms of the First Convertible Bonds and the Second Convertible Bonds, a Bondholder shall have the right to convert the First Convertible Bonds or the Second Convertible Bonds (as the case maybe) into Shares provided that the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any time in compliance with Listing Rules.

The Conversion Shares to be allotted and issued by the Company upon the exercise of the conversion rights attached to the Convertible Bonds will be issued under the Specific Mandate to be sought at the SGM.

REASONS FOR THE ALTERATION OF TERMS

Since the existing conversion price of the Convertible Bonds is much higher than the prevailing market price of the Share, the revised Conversion Price will serve as an incentive for the Bondholders to exercise the conversion rights attached to the Convertible Bonds to convert the Convertible Bonds into the Shares, thereby alleviating the financial pressure on the Company to repay the Convertible Bonds on maturity and could facilitate the Company in obtaining alternative source of finance to improve the financial position of Company. With the redemption discount of 2% at the maturity of the Convertible Bonds, the financial pressure on the Company for redemption of the Convertible Bonds at the maturity date would also be further lessened. Furthermore, the reduction of Interest Rate would alleviate the interest burden of the Company.

The Board considers that the Alternation of Terms are fair and reasonable and the Alternation of Terms are in the interests of the Company and the Shareholders as a whole. No proceeds will be received by the Company as a result of the Alteration of Terms.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after the full conversion of the outstanding Convertible Bonds at the Conversion Price (assuming there being no other issue or repurchase of Shares) is as follows:

Name of Shareholder	As at the Date of this announcement		Immediately after full exercise of the conversion rights of the Convertible Bonds (note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Ka Chun Holdings Limited (note 1)	1,554,338,600	72.66	1,554,338,600	26.82
Mr. Lam Ching Kui (note 2)	38,481,000	1.80	38,481,000	0.66
	<u>1,592,819,600</u>	<u>74.46</u>	<u>1,592,819,600</u>	<u>27.49</u>
First Bondholder A (note 5)	40,221,600	1.88	1,686,054,933	29.10
First Bondholder B (note 5)	5,836,200	0.27	1,526,669,533	26.34
Second Bondholder A	65,002,600	3.04	310,835,933	5.36
Second Bondholder B	65,000,000	3.04	308,333,333	5.32
Other Public Shareholders (note 4)	<u>370,236,248</u>	<u>17.31</u>	<u>370,236,248</u>	<u>6.39</u>
	<u>546,296,648</u>	<u>25.54</u>	<u>1,086,638,848</u>	<u>72.51</u>
Total	<u>2,139,116,248</u>	<u>100.00</u>	<u>5,794,949,580</u>	<u>100.00</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) For indicative purposes only, as the number of Conversion Shares to be issued upon the conversion of the Convertible Bonds are subject to: (i) the minimum public float requirement of the Listing Rules; (ii) no mandatory general offer obligation under Rule 26 of the Takeovers Code being triggered (on the part of the First Bondholders only); and (iii) Mr. Lam Ching Kui and any parties acting in concert with him not ceasing to be the controlling Shareholder of the Company within the meaning of the Listing Rules.
- (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.
- (5) First Bondholder A and First Bondholder B will no longer be public shareholder after the conversion of the First Convertible Bonds in full as their respective shareholding in the Company will exceed 10%.

INFORMATION ABOUT 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; and (iii) investment holdings.

INFORMATION ABOUT THE BONDHOLDERS

The Bondholders are individual investors who are experienced in investments and the finance industry. As at the date hereof, the First Bondholder A and the First Bondholder B are the beneficial owners of 40,221,600 Shares and 5,836,200 Shares respectively, representing approximately 1.88% and 0.27% of the existing issued share capital of the Company. The Second Bondholder A and the Second Bondholder B are the beneficial owners of 65,002,600 Shares and 65,000,000 Shares respectively, representing approximately 3.04% and 3.04% of the existing issued share capital of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Bondholders is a third party independent of the Company and its connected persons and they are independent from and not acting in concert with each other or their respective associates.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities.

The grant of the Specific Mandate for the issue and allotment of the Conversion Shares will also be subject to approval by the Independent Shareholders at the SGM.

Application will be made to the Stock Exchange for its approval of: (i) the Alternation of Terms; and (ii) the listing of, and permission to deal in, the Conversion Shares arising from the conversion of the outstanding Convertible Bonds.

GENERAL

A SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Alteration of Terms. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than the Bondholders who shall abstain from voting on the resolution to approve the Alteration of Terms of the First Convertible Bonds, no Shareholder is required to abstain from voting on any of the resolutions to be proposed at the SGM.

A circular containing, inter alia, (i) further details of the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds; and (ii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 5 November 2021.

If any of the conditions precedent to the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds are not satisfied, the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds will not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“acting in concert”	has the same meaning ascribed under the Takeovers Code
“Alteration of Terms”	together the Alteration of Terms of the First Convertible Bonds and the Alteration of Terms of the Second Convertible Bonds
“Alteration of Terms of the First Convertible Bonds”	(a) the proposed revision of the conversion price of the Convertible Bonds from HK\$0.18 per Conversion Share to HK\$0.048 per Conversion Share; (b) the proposed reduction of the interest rate of the First Convertible Bonds from 4% per annum to 2% per annum; (c) the proposed reduction of the redemption amount at maturity from 100% of the principal amount to 98% of the principal amount of the First Convertible Bonds and (d) the conversion rights attached to the First Convertible Bonds shall only be exercised on the condition that any conversion of the First Convertible Bonds does not: (aa) trigger a mandatory general offer obligation on the First Bondholders under Rule 26 of the Takeovers Code; and (bb) result in Mr. Lam Ching Kui and any parties acting in concert with him (including Ka Chun Holdings Limited) ceasing to be the controlling Shareholder of the Company within the meaning of the Listing Rules.

“Alteration of Terms of the Second Convertible Bonds”	(a) the proposed revision of the conversion price of the Convertible Bonds from HK\$0.18 per Conversion Share to HK\$0.048 per Conversion Share; (b) the proposed reduction of the interest rate of the Second Convertible Bonds from 4% per annum to 2% per annum; and (c) the proposed reduction of the redemption amount at maturity from 100% of the principal amount to 98% of the principal amount of the Second Convertible Bonds
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bondholders”	together, the First Bondholders and the Second Bondholders
“Company”	Wai Chun Group Holdings Limited, a company incorporated in Bermuda, whose issued Shares are listed on the main board of the Stock Exchange
“Conversion Price”	the proposed new conversion price of HK\$0.048 per Conversion Share under the proposed Alteration of Terms, subject to adjustment under 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 at the Conversion Price
“Convertible Bond(s)”	together, the First Convertible Bonds and the Second Convertible Bonds
“Director(s)”	the director(s) of the Company
“First Bondholder A”	Ms. Wan Yuzhen
“First Bondholder B”	Ms. Zhong Lirong
“First Bondholders”	together, the First Bondholder A and the First Bondholder B

“First Convertible Bonds”	the 4% coupon convertible bonds due 2023 issued by the Company in August 2020 in the aggregate amount of HK\$152,000,000 being held by the First Bondholders
“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 Shareholder(s)”	Shareholder(s) other than the Bondholders and their respective associates
“Interest Rate”	the interest rate payable by the Company for the Convertible Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Bondholder A”	Ms. Wan Qianyi
“Second Bondholder B”	Ms. Mai Xiuqun
“Second Bondholders”	together, the Second Bondholder A and the Second Bondholder B
“Second Convertible Bonds”	the 4% coupon convertible bonds due 2023 issued by the Company in November 2020 in the aggregate amount of HK\$23,480,000 being held by the Second Bondholders
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Alteration of Terms and the Specific Mandate
“Share(s)”	the ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the mandate to allot and issue the Conversion Shares upon the exercise of the conversion rights attached to the Convertible Bonds to be sought at the SGM

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the board of
Wai Chun Group Holdings Limited
Lam Ching Kui
Chairman and Chief Executive Officer

Hong Kong, 15 October 2021

As at the date of this announcement, the Board comprises: Executive Director: Mr. LAM Ching Kui (Chairman and Chief Executive Officer); and two Independent Non-executive Directors: Mr. CHAN Wai Dune and Dr. WANG Wei