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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)**

**CONNECTED TRANSACTIONS:  
PROPOSED ALTERATION TO THE TERMS OF THE EXISTING  
CONVERTIBLE BONDS**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**INCUB Corporate Finance Limited**

**PROPOSED ALTERATION TO THE TERMS OF THE EXISTING FIRST  
CONVERTIBLE BONDS AND THE EXISTING SECOND CONVERTIBLE BONDS**

Reference is made to the announcement of the Company dated 15 October 2021 and the circular of the Company dated 9 December 2021 in relation to, among other things, the alteration to the terms of the Existing First Convertible Bonds in the aggregate principal amount of HK\$152,000,000 and the Existing Second Convertible Bonds in the aggregate principal amount of HK\$23,480,000.

\* for identification purpose only

On 29 August 2023 (after trading hours), the Company and the Existing Bondholder A have agreed to amend the terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds as follows:

- (i) the Interest Rates be amended from 2% per annum to 1% per annum; and
- (ii) the maturity dates of the Existing First Convertible Bonds and the Existing Second Convertible Bonds be extended to 31 August 2025.

As at the date of this announcement, none of the conversion rights attached to the Existing First Convertible Bonds and the Existing Second Convertible Bonds have been exercised by the Existing Bondholder A and no Existing Convertible Bonds Conversion Shares have been issued by the Company to the Existing Bondholder A. According to the existing terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds, a bondholder shall have the right to convert the Existing Convertible Bonds into Existing Convertible Bonds Conversion 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 one time in compliance with Listing Rules. Save for the above Alteration of Terms, all the other terms and conditions of the Existing First Convertible Bonds and the Existing Second Convertible Bonds shall remain unchanged and in full force and effect.

#### **LISTING RULES IMPLICATIONS**

Ka Chun, the Existing Bondholder B, is a controlling Shareholder interested in an aggregate of 1,554,338,600 Shares, representing in aggregate approximately 72.66% of the total number of issued Shares. Ka Chun is indirectly wholly-owned by Mr. Lam Ching Kui, the Existing Bondholder A, who is interested in 38,481,000 Shares personally, representing in aggregate approximately 1.80% of the total number of issued Shares. Therefore, the Existing Bondholder A and its associates including the Existing Bondholder B are connected persons of the Company, and the Alteration of Terms constitutes connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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.

## GENERAL

The Independent Board Committee has been established to make recommendation to the Independent Shareholders, regarding the Alteration of Terms and the transactions contemplated thereunder respectively. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the Alteration of Terms, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A SGM will be convened and held 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, the Existing Bondholder B and its associates (including the Existing Bondholder A) are required to abstain from voting on the resolutions in respect of the Alteration of Terms at the SGM. To the best of the information, belief and knowledge of the Directors, save for the Existing Bondholder B and its associates (including the Existing Bondholder A), no other Shareholder has any material interest in the Alteration of Terms. Save for the Existing Bondholder A, who is the executive Director and also the sole shareholder of the Existing Bondholder B and had abstained from voting, none of the Directors had a material interest in the Alteration of Terms and is required to abstain from voting on the resolutions passed by the Board to approve the Alteration of Terms and the transactions contemplated thereunder respectively.

A circular containing, inter alia, (i) further information of the Alteration of Terms; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Alteration of Terms; (iii) the letter of advice from the Independent Financial Adviser; (iv) details of the Alteration of Terms; and (v) notice of the SGM, is expected to be dispatched to the Shareholders on or before 19 September 2023.

**If any of the conditions precedent to the Alteration of Terms are not satisfied, the Alteration of Terms 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.**

## **PROPOSED ALTERATIONS TO THE TERMS OF THE EXISTING CONVERTIBLE BONDS**

Reference is made to the announcement of the Company dated 15 October 2021 and the circular of the Company dated 9 December 2021 in relation to, among other things, the alteration to the terms of the Existing First Convertible Bonds in the aggregate principal amount of HK\$152,000,000 and the Existing Second Convertible Bonds in the aggregate principal amount of HK\$23,480,000.

As at the date of this announcement, none of the conversion rights attached to the Existing First Convertible Bonds and the Existing Second Convertible Bonds has been exercised by the Existing Bondholder A and no Existing Convertible Bonds Conversion Shares were issued by the Company to the Existing Bondholder A. According to the existing terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds, a bondholder shall have the right to convert the Existing Convertible Bonds into Existing Convertible Bonds Conversion 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 one time in compliance with Listing Rules.

On 29 August 2023 (after trading hours), the Company and the Existing Bondholder A have entered into the Alteration Consent Letters and conditionally agreed to amend the terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds as follows:

- (i) the Interest Rates be amended from 2% per annum to 1% per annum; and
- (ii) the maturity dates of the Existing First Convertible Bonds and the Existing Second Convertible Bonds be extended to 31 August 2025.

Apart from the Alteration of Terms above, all other terms and conditions of the Existing First Convertible Bonds and the Existing Second Convertible Bonds shall remain unchanged and in full force and effect.

To the best information, knowledge and belief of the Directors, the Existing Bondholder A and its associates, including the Existing Bondholder B, are connected persons of the Company.

The Alteration of Terms is conditional upon the following conditions:

- (a) the Stock Exchange granting its approval for the Alteration of Terms; and
- (b) the passing by the Independent Shareholders of relevant resolutions at the SGM approving the Alteration of Terms.

None of the above conditions can be waived. If any of the conditions above are not fulfilled by the Long Stop Date, the parties to the Alteration Consent Letters will not proceed with the Alteration of Terms.

If the outstanding Existing First Convertible Bonds and the Existing Second Convertible Bonds are fully converted at the Existing Convertible Bonds Conversion Price of HK\$0.048 each, a maximum of 3,655,833,333 Existing Convertible Bonds Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the outstanding Existing First Convertible Bonds and the Existing Second Convertible Bonds in full, which represents:

- (i) approximately 170.9% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 63.1% of the issued share capital of the Company as to be enlarged by the issue of the 3,655,833,333 Existing Convertible Bonds Conversion Shares (assuming there being no other issue or repurchase of Shares).

If all the outstanding existing convertible bonds of the Company (i.e. the Existing Convertible Bonds and the Existing Third Convertible Bonds) are fully converted at the Existing Convertible Bonds Conversion Price of HK\$0.048 each, a maximum of 4,545,416,666 Existing Convertible Bonds Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to all the outstanding existing convertible bonds in full, which represents:

- (i) approximately 212.5% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 68.0% of the issued share capital of the Company as to be enlarged by the issue of the 4,545,416,666 Existing Convertible Bonds Conversion Shares (assuming there being no other issue or repurchase of Shares).

According to the existing terms of the Existing Convertible Bonds, a bondholder shall have the right to convert the Existing Convertible Bonds 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 one time in compliance with Listing Rules. According to the existing terms of the Existing First Convertible Bonds, any conversion shall also be subject to no mandatory general offer being triggered under Rule 26 of the Takeovers Code on the bondholder.

The Existing Convertible Bonds Conversion Shares will be issued under the specific mandate granted at the special general meeting of the Company held on 28 December 2021.

## **REASONS FOR THE ALTERATION OF TERMS**

According to the existing terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds, the Existing First Convertible Bonds in the aggregate principal amount of HK\$152,000,000 will mature on 31 August 2023 and the Existing Second Convertible Bonds in the aggregate principal amount of HK\$23,480,000 will mature on 30 November 2023. With the extension of the maturity dates of the Existing First Convertible Bonds and the Existing Second Convertible Bonds, the financial pressure on the Company for redemption of the Existing First Convertible Bonds and the Existing Second Convertible Bonds at the maturity dates would be lessened and the reduction of Interest Rates would also alleviate the interest burden of the Company.

The Board (excluding the Existing Bondholder A who had abstained from voting) considers that the Alteration of Terms is fair and reasonable and the Alteration of Terms is 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 (i) as at the date of this announcement; (ii) immediately after the full conversion of the outstanding Existing First Convertible Bonds and the Existing Second Convertible Bonds at the Existing Convertible Bonds Conversion Price (assuming there being no other issue or repurchase of Shares); and (iii) immediately after the full conversion of all the outstanding existing convertible bonds of the Company at the Existing Convertible Bonds 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 Existing First Convertible Bonds and the Existing Second Convertible Bonds		Immediately after full exercise of the Existing Convertible Bonds and the Existing Third Convertible Bonds	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Existing Bondholder B (note 1)	1,554,338,600	72.66	1,554,338,600	26.82	2,443,921,933	36.56
Existing Bondholder A (note 2)	<u>38,481,000</u>	<u>1.80</u>	<u>3,694,314,333</u>	<u>63.75</u>	<u>3,694,314,333</u>	<u>55.27</u>
	1,592,819,600	74.46	5,248,652,933	90.57	6,138,236,266	91.83
Public Shareholders (note 4)	<u>546,296,648</u>	<u>25.54</u>	<u>546,296,648</u>	<u>9.43</u>	<u>546,296,648</u>	<u>8.17</u>
<b>Total</b>	<u><u>2,139,116,248</u></u>	<u><u>100.00</u></u>	<u><u>5,794,949,581</u></u>	<u><u>100.00</u></u>	<u><u>6,684,532,914</u></u>	<u><u>100.00</u></u>

### Notes:

- (1) The Existing Bondholder B, Ka Chun, is a company owned as to 100% by Wai Chun Investment Fund, which is wholly-owned by the Existing Bondholder A, Mr. Lam Ching Kui, and holds 1,554,338,600 Shares.
- (2) The Existing Bondholder A is the ultimate controlling shareholder of the Company and directly holds 38,481,000 Shares.
- (3) 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.
- (4) Pursuant to the terms and conditions of the Existing Convertible Bonds, the bondholders shall not exercise the conversion rights attached or attaching to the Existing Convertible Bonds if, as a result of such exercise, it will cause the public float of the Company to fall below the percentage prescribed under the Listing Rules.

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

In the past twelve months immediately preceding the date of this announcement, the Company did not conduct any equity fund-raising activities.

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in (i) sales and services provision of integration services of computer and communication systems, and design, consultation and production of information system software and management training services and (ii) general trading of chemicals and agricultural products.

## **LISTING RULES IMPLICATIONS**

The Existing Bondholder B is a controlling Shareholder interested in an aggregate of 1,554,338,600 Shares, representing in aggregate approximately 72.66% of the total number of issued Shares. The Existing Bondholder B is indirectly wholly-owned by the Existing Bondholder A, who is interested in 38,481,000 Shares personally, representing in aggregate approximately 1.80% of the total number of issued Shares. Therefore, the Existing Bondholder A and its associates including the Existing Bondholder B are connected persons of the Company, and the Alteration of Terms constitutes connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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.



## **GENERAL**

The Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding, the Alteration Consent Letters and the transactions contemplated thereunder respectively, including alteration to the terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the alteration to the terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds, is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A SGM will be convened and held 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, the Existing Bondholder A and its associates (including the Existing Bondholder B) are required to abstain from voting on the resolutions in respect of the Alteration of Terms at the SGM. To the best of the information, belief and knowledge of the Directors, save for the Existing Bondholder A and its associates (including the Existing Bondholder B), no other Shareholder had a any material interest in the Alteration of Terms. Save for the Existing Bondholder A, who is the executive Director and also the sole shareholder of the Existing Bondholder B and had abstained from voting, none of the Directors had a material interest in the Alteration of Terms and was required to abstain from voting on the resolutions passed by the Board to approve the Alteration Consent Letters and the transactions contemplated thereunder respectively.

A circular containing, inter alia, (i) further information of the Alteration of Terms; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Alteration of Terms; (iii) the letter of advice from the Independent Financial Adviser; (iv) details of the Alteration of Terms; and (v) notice of the SGM, is expected to be dispatched to the Shareholders on or before 19 September 2023.

## **DEFINITIONS**

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

“Alteration Consent Letters”	the letters entered into between the Existing Bondholder A and the Company dated 29 August 2023 in relation to the Alteration of Terms
“Alteration of Terms”	the proposed alteration to the terms of the Existing First Convertible Bonds and the Existing Second Convertible Bonds set out in the paragraph headed “Proposed Alterations To The Terms Of The Existing Convertible Bonds” in this announcement

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Wai Chun Group Holdings Limited, a company incorporated in Bermuda, whose issued Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Bondholder A”	Mr. Lam Ching Kui, being holder of the Existing First Convertible Bonds and the Existing Second Convertible Bonds
“Existing Bondholder B”	Ka Chun, being holder of the Existing Third Convertible Bonds
“Existing Bondholders”	Existing Bondholder A and Existing Bondholder B collectively
“Existing Convertible Bonds”	Existing First Convertible Bonds and Existing Second Convertible Bonds collectively
“Existing Convertible Bonds Conversion Price”	the proposed conversion price of HK\$0.048 per Existing Convertible Bonds Conversion Share, subject to adjustment under the terms and conditions of the Existing Convertible Bonds
“Existing Convertible Bonds Conversion Share(s)”	new Shares to be issued by the Company upon the exercise of the conversion rights attached to the Existing Convertible Bonds and the Existing Third Convertible Bonds
“Existing First Convertible Bonds”	the 2% coupon convertible bonds with principal amount of HK\$152,000,000 issued by the Company on 31 August 2020
“Existing Second Convertible Bonds”	the 2% coupon convertible bonds with principal amount of HK\$23,480,000 issued by the Company on 30 November 2020

“Existing Third Convertible Bonds”	the 2% coupon convertible bonds with principal amount of HK\$42,700,000 issued by the Company on 18 January 2022
“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 Board Committee”	an independent board committee comprising the independent non-executive Directors to advise the Independent Shareholders as to the fairness and reasonableness of the Alteration of Terms and the transactions contemplated respectively thereunder
“Independent Financial Adviser”	INCU Corporate Finance Limited, a corporation licensed to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of to the Alteration of Terms and the transactions contemplated respectively thereunder
“Independent Shareholder(s)”	in respect of the Alteration of Terms, Shareholders other than the Existing Bondholders and their respective associates not required under the Listing Rules to abstain from voting on the resolution(s) approving the Alteration of Terms at the SGM.
“Interest Rates”	the interest rates of the Existing Convertible Bonds
“Ka Chun”	Ka Chun Holdings Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Lam Ching Kui, being the controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 October 2023 or such other date as may be agreed by the Company and the Existing Bondholder A
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Alteration of Terms

“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)
“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, 29 August 2023

*As at the date of this announcement, the Board comprises one executive Director, namely Mr. Lam Ching Kui, and two independent non-executive Directors, namely Dr. Wang Wei and Mr. Wan Bo.*