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KING OF CATERING (GLOBAL) HOLDINGS LTD.

(formerly known as WAC Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 3 May 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to place, on a best effort basis, 150,000,000 Placing Shares to not less than six Placees at the Placing Price of HK\$0.14 per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents (i) 12.2% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 10.9% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1.5 million.

Assuming that the maximum number of the 150,000,000 Placing Shares are placed under the Placing, the net proceeds to be received by the Company, after deducting placing commission and other fees and expenses, will amount to approximately HK\$20.0 million.

The Company intends to use approximately HK\$6.0 million of the net proceeds for the working capital and HK\$14.0 million for the development of food and beverage and IT business segments, including but not limited to acquisition of business and investment in mobile application development relating to food and beverage business. Such acquisition or development may utilize the remaining proceed raised from the placing of Shares completed in January 2024. Availability of funding resources will increase the flexibility of the scale of acquisition or development the Company can conduct.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Date

3 May 2024 (after trading hours)

Parties

- (1) The Company, as issuer; and
- (2) KGI Asia Limited as Placing Agent

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Number of Placing Shares

Pursuant to the Placing Agreement, Placing Agent has agreed to place, on a best effort basis, 150,000,000 new Shares. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of the Placing Shares represent (i) approximately 12.2% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 10.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placees

The Placees (and, where relevant, their ultimate beneficial owners) shall be independent of and not connected or acting in concert (as defined in the Takeovers Code) with the Company, its connected persons (as defined under the GEM Listing Rules) and their respective associates (as defined under the GEM Listing Rules). It is expected that none of the Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company immediately upon completion of the Placing.

Placing price

The Placing Price of HK\$0.14 per Placing Share represents:

- (i) a discount of approximately 9.68% to the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on 3 May 2024, being the date of the Placing Agreement;
- (ii) a discount of approximately 9.68% to the average closing price of approximately HK\$0.1554 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Last Trading Day; and
- (iii) a discount of approximately 10.77% to the average closing price of approximately HK\$0.1569 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to the Last Trading Day.

This Placing Price was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price are fair and reasonable based on the current market conditions.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.134 per Placing Share.

Assuming that the Placing Shares are fully placed under the Placing:

- (i) the gross proceeds from the Placing are estimated to be approximately HK\$21.0 million; and

- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, are estimated to be approximately HK\$20.0 million.

The Company intends to use approximately HK\$6.0 million of the net proceeds for the working capital and HK\$14.0 million for the development of food and beverage and IT business segments, including but not limited to acquisition of business and investment in mobile application development relating to food and beverage business. Such acquisition or development may utilize the remaining proceed raised from the placing of Shares completed in January 2024. Availability of funding resources will increase the flexibility of the scale of acquisition or development the Company can conduct.

Placing commission

The Placing Agent will receive a placing commission of 4.0% of the amount which is equivalent to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.

Rights and ranking of the Placing Shares

The Placing Shares under the Placing will rank pari passu in all respects among themselves and with the existing Shares in issue as at the Completion Date.

Conditions precedent to completion of the Placing

Completion of the Placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the GEM Listing Committee granting the approval for the listing of and permission to deal in the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event the above conditions have not been fulfilled and/or waived (other than condition (i) which cannot be waived) on or before 14 calendar days after the date of the Placing Agreement (i.e., 3 May 2024) (or such later date as the Placing Agent and the Company shall agree in writing), all rights, obligations and liabilities of the parties to the Placing Agreements in relation to the Placing shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breaches under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing under the Placing Agreement shall be conditional upon the satisfaction of the conditions precedent (or waived as the case may be) set out in the Placing Agreement and shall take place on the Completion Date.

Further announcement will be made by the Company upon completion of the Placing.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Termination of the Placing Agreement

Under the Placing Agreement, the Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date upon the occurrence of the following force majeure events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or

- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (iv) any statement contained in this announcement or the previous announcements related to this Placing if applicable has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (v) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (vi) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties hereunder; or
- (vii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in the Cayman Islands or Hong Kong and if in the reasonable opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group taken as a whole and/or have an adverse impact on the success of the Placing; or
- (viii) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group taken as a whole and which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing.

If notice is given according to the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

GENERAL

Mandate to allot and issue new Shares

The Company is authorised to allot and issue up to 230,400,000 new Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 17 November 2023. Up to the date of this announcement, the Company has utilised 80,000,000 shares under the General Mandate. As the Placing Shares will be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

Application for listing

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

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in provision of comprehensive structural and geotechnical engineering consultancy services.

The Directors consider that the Placing would enhance the working capital and equip itself with enhanced financial capability and flexibility for the business development of the Company.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deduction of placing commission, professional fees and all related expenses of the Placing) from the Placing will be approximately HK\$21.0 million and HK\$20.0 million respectively. The Company intends to use approximately HK\$6.0 million of the net proceeds for the working capital and HK\$14.0 million for the development of food and beverage and IT business segments, including but not limited to acquisition of business and investment in mobile application development relating to food and beverage business. Such acquisition or development may utilize with the remaining proceed raised from the placing of Shares completed in January 2024. Availability of funding resources will increase the flexibility of the scale of acquisition or development the Company can conduct.

The Directors (including the independent non-executive Directors) consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions and the recent trading performance of the Shares and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has placed 80,000,000 new shares under the General Mandate. For details please refer to announcement dated 2 January 2024, 18 January 2024, 19 January 2024 and 31 January 2024.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Completion (assuming all the Placing Shares are fully placed and there will be no change in the total number of issued Shares from the date of this announcement up to the Completion Date) for illustration purpose only:

	As at the date of this announcement		Immediately after the Completion (assuming all the Placing Shares are fully placed and there will be no change in the total number of issued Shares from the date of this announcement up to the Completion Date)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Substantial Shareholders				
Manning Properties Limited <i>(Note 1,2,3)</i>	342,072,000	27.77	342,072,000	24.75
Placees <i>(Note 4)</i>	–	–	150,000,000	10.85
Public Shareholders	889,928,000	72.23	889,928,000	64.40
Total	<u>1,232,000,000</u>	<u>100.00</u>	<u>1,382,000,000</u>	<u>100.00</u>

Notes:

1. Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan Yin Nin (“**Dr. Chan**”) and approximately 31.8% by Mr. Kwong Po Lam (“**Mr. Kwong**”), which in turn holds 342,072,000 Shares, representing approximately 27.77% of the total share capital of the Company. As the concerted group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 342,072,000 Shares held by Manning Properties Limited.
2. Ms. Julia Gower Chan is the spouse of Dr. Chan. By virtue of the SFO, Ms. Julia Gower Chan is deemed to be interested in the shares of the Company interested by Dr. Chan.
3. Ms. Leung Kwai Ping is the spouse of Mr. Kwong. By virtue of the SFO, Ms. Leung Kwai Ping is deemed to be interested in the shares of the Company interested by Mr. Kwong.
4. For illustration purposes only, according to the Placing Agreement, none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfilment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

Definitions

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

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| “acting in concert” | has the meaning ascribed thereto in the Takeovers Code |
| “Board” | the board of Directors |

“Business Day(s)”	means a day (excluding Saturday, Sunday and any public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks generally are open for business in Hong Kong
“Company”	King of Catering (Global) Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange (stock code: 8619)
“Completion Date”	the date falling on the fourth Business Day after the fulfillment of the conditions specified in the Placing Agreements (or such later date as the Placing Agent and the Company may agree in writing)
“connected person(s)”	having the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal in not more than 230,400,000 new Shares by the Shareholders at the annual general meeting of the Company held on 17 November 2023
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries for the time being
“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
“Last Trading Day”	3 May 2024, being the date of the Placing Agreement
“Placee(s)”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	KGI Asia Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO
“Placing Agreement”	the placing agreement dated 3 May 2024 entered into between the Company and the Placing Agent in relation to the placing of up to 150,000,000 Shares
“Placing Price”	HK\$0.14 per Placing Share
“Placing Shares”	up to a total of 150,000,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code” The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong

“%” per cent.

By Order of the Board
King of Catering (Global) Holdings Ltd.
Dr. Chan Yin Nin
Chairman

Hong Kong, 3 May 2024

As at the date of this announcement, the Board comprises Dr. Chan Yin Nin, Mr. Kwong Po Lam, Mr. Man Kwok Hing, Ms. Leung Suet Yiu, Mr. Kazuya Yanagihara, and Mr. Tsang Wing Ki as executive Directors; Mr. Fukumitsu Hirokazu and Mr. Takeda Masahiro as non-executive Directors; and Mr. Choy Wai Shek, Raymond, Mr. Sze Kyran and Ms. Siu Yuk Ming as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 website at <http://www.hkexnews.hk> for at least seven days from the date of its publication and the Company’s website at <http://www.wcce.hk>.