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WISE ALLY

Wise Ally International Holdings Limited

麗年國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9918)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE SUBSCRIPTIONS OF
SHARES AND CONVERTIBLE BONDS
OF THE TARGET COMPANY**

Financial adviser to the Company



THE SUBSCRIPTIONS

The Board is pleased to announce that on 28 January 2022 (after trading hours), the Subscriber, as the subscriber, entered into the Share Subscription Agreement and the CB Subscription Agreement, with the Target Company, as the issuer, and the Existing Shareholders, as the warrantors, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the Subscription Shares and the CB respectively.

THE SHARE SUBSCRIPTION

Pursuant to the terms and conditions of the Share Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the Subscription Shares, representing 10% of the equity interest in the Target Company as enlarged by the Subscription Shares, with the Share Subscription Consideration of HK\$2 million being settled by offsetting a refundable deposit in the sum of HK\$2 million paid by the Subscriber to the Target Company.

THE CB SUBSCRIPTION

Pursuant to the terms and conditions of the CB Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Target Company has conditionally agreed to issue the CB in the aggregate principal amount of HK\$44 million in two tranches to be settled by the Subscriber in cash payable to the Target Company.

Assuming full conversion of the CB, the Target Company will issue new Target Shares to the Subscriber resulting in the Subscriber holding an aggregate of 30% equity interest in the Target Company as enlarged by the Subscription Shares and the Conversion Shares (or 51% equity interest in the Target Company as enlarged by the Subscription Shares and the Default Shares, in the event of any events of default under the CB are triggered).

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Subscriptions are in aggregate more than 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTIONS

The Board is pleased to announce that on 28 January 2022 (after trading hours), the Subscriber, as the subscriber, entered into the Share Subscription Agreement and the CB Subscription Agreement, with the Target Company, as the issuer, and the Existing Shareholders, as the warrantors, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the Subscription Shares and the CB respectively.

THE SHARE SUBSCRIPTION

Pursuant to the terms and conditions of the Share Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the Subscription Shares, representing 10% of the equity interest in the Target Company as enlarged by the Subscription Shares, with the Share Subscription Consideration of HK\$2 million being settled by offsetting a refundable deposit in the sum of HK\$2 million paid by the Subscriber to the Target Company.

THE SHARE SUBSCRIPTION AGREEMENT

Principal terms and conditions of the Share Subscription Agreement are set out below:

Date

28 January 2022 (after trading hours)

Parties

Issuer : the Target Company

Subscriber : the Subscriber

Warrantors : the Target Company and the Existing Shareholders

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company and the Existing Shareholders are Independent Third Parties.

Subject matter

Pursuant to the Share Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, the Subscription Shares, representing 10% of the equity interest in the Target Company as enlarged by the Subscription Shares.

Share Subscription Consideration

The Share Subscription Consideration of HK\$2 million will be settled by offsetting a refundable deposit in the sum of HK\$2 million paid by the Subscriber to the Target Company.

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

The Share Subscription Consideration was determined after arm's length negotiations between the parties to the Share Subscription Agreement with reference to, among other things, the appraisal value of the entire equity interest of the Target Company prepared by an independent valuer of approximately HK\$21 million as at 31 December 2021 using the cost approach. The Directors consider that the Share Subscription Consideration and the payment terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Share Subscription Conditions

The Share Subscription Completion is conditional upon the following conditions being fulfilled or waived (as the case may be):

- (a) the Subscriber being satisfied with the results of the due diligence review of the Target Company in its sole discretion;
- (b) if necessary, the Subscriber having obtained the approval of its shareholders of the Share Subscription Agreement and the transactions contemplated thereunder;
- (c) all necessary consents and approvals required to be obtained on the part of the Target Company and the Existing Shareholders (as applicable) in respect of the Share Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (d) all other necessary authorisations pursuant to the Listing Rules and applicable laws for the consummation of the transactions contemplated in the Share Subscription Agreement having been obtained by the Subscriber and remain in full force;
- (e) the written unconditional confirmation from the Licensor (in a form satisfactory to the Subscriber) that the entering into and performance by the Target Company of its obligations under the Share Subscription Agreement, the CB Subscription Agreement and the transactions contemplated thereunder, does not and will not constitute as a “substantial change in control” event as defined in the License Agreement or result in a breach of the License Agreement, having been obtained by the Target Company and remaining in full force and effect;
- (f) the written unconditional confirmation from the Licensor (in a form satisfactory to the Subscriber) in relation to the grant of a waiver of the minimum guaranteed net sales and minimum guaranteed royalty payments for the period ended 31 December 2021 under the License Agreement and that the subject matters of such waiver will not constitute a breach of the License Agreement or in any way trigger its early termination or affect the automatic extension of the term of the License Agreement for a period of an additional five years from 1 January 2026 to 31 December 2030, having been obtained by the Target Company and remaining in full force and effect;
- (g) the written unconditional permission from the Licensor (in a form satisfactory to the Subscriber) for the Subscriber to manufacture the licensed products as defined under the License Agreement or components (including the entering into the Key Manufacturing and Supply Agreement), having been obtained by the Subscriber and remaining in full force and effect;
- (h) the execution by the Subscriber, the Target Company and the Existing Shareholders of the Shareholders Agreement;
- (i) the due and punctual performance of the Target Company’s and the Existing Shareholders’ obligations under the CB Subscription Agreement;

- (j) the execution by the Subscriber and the Target Company of the Key Manufacturing and Supply Agreement;
- (k) the execution by the Target Company, Ms. WH Chang and Mr. Chen of the Shareholder's Loan Agreements;
- (l) the Audited Accounts having been prepared in conformity with the generally accepted accounting principles of Hong Kong and satisfactory to the Subscriber;
- (m) the License Agreement remaining in full force and effect at all times on and before the Share Subscription Completion; and
- (n) the representations and warranties made by the Subscriber and the Existing Shareholders under the Share Subscription Agreement remaining true, accurate and complete in all material respects and not misleading as at the date of the Share Subscription Agreement as well as at the Share Subscription Completion as if they are made on the date of the Share Subscription Completion.

Save for Share Subscription Condition (d) above, which cannot be waived by any party to the Share Subscription Agreement, all other Share Subscription Conditions can be fully or partly waived in writing by the Subscriber.

If the Share Subscription Conditions are not fulfilled or otherwise waived in writing by the Subscriber within sixty (60) Business Days after the date of the Share Subscription Agreement, or such longer period as may be agreed by the parties to the Share Subscription Agreement, the Share Subscription Agreement shall automatically be terminated and cease to be of any effect, and none of the parties under the Share Subscription Agreement shall have any claim against the others for costs, damages, compensation or otherwise save in respect of any prior breach of the Share Subscription Agreement.

Share Subscription Completion

Subject to the fulfilment of all the Share Subscription Conditions or as otherwise waived in accordance with the Share Subscription Agreement, the Share Subscription Completion shall take place on the third Business Day after satisfaction or otherwise waiver by the Subscriber of all the Share Subscription Conditions.

Immediately after the Share Subscription Completion, the Subscriber will hold 10% equity interest as enlarged by the Subscription Shares in the Target Company and the Target Company will become an associate of the Subscriber and the financial results of the Target Company will be equity accounted for in the Group's consolidated financial statements.

THE CB SUBSCRIPTION

Pursuant to the terms and conditions of the CB Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the CB in the aggregate principal amount of HK\$44 million in two tranches to be settled by the Subscriber in cash payable to the Target Company.

THE CB SUBSCRIPTION AGREEMENT

Principal terms and conditions of the CB Subscription Agreement are set out below:

Date

28 January 2022 (after trading hours)

Parties

Issuer : the Target Company

Subscriber : The Subscriber

Warrantors : The Target Company and the Existing Shareholders

Subject matter

Pursuant to the CB Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the CB in the aggregate principal amount of HK\$44 million in two tranches.

CB Subscription Consideration

The CB Subscription Consideration, being HK\$44 million in aggregate, shall be settled by the Subscriber in cash payable to the Target Company in the following manners:

- (i) HK\$22 million will be paid upon the issue of the First Tranche CB; and
- (ii) the remaining HK\$22 million will be paid and the Second Tranche CB will be issued at the earlier of (i) 6 months from the date of issue of the First Tranche CB; or (ii) 10 Business Days from the Target Company providing evidence to the Subscriber's satisfaction that the Target Company has obtained confirmed and irrevocable sales orders of HK\$100 million.

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

The CB Subscription Consideration was determined after arm's length negotiations between the parties to the CB Subscription Agreement with reference to, among other things, the Target Profit and market comparable of companies engaged in similar industry. The Directors consider that the CB Subscription Consideration and the payment terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CB Subscription Conditions

The issue of the First Tranche CB is conditional upon the following conditions being fulfilled or waived (as the case may be):

- (a) the Subscriber being satisfied with the results of the due diligence review of the Target Company in its sole discretion;
- (b) the Target Company and the Existing Shareholders having obtained all necessary authorisations in respect of the CB Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (c) if necessary, the Subscriber having obtained the approval of its shareholders of the CB Subscription Agreement and the transactions contemplated thereunder;
- (d) there not having occurred, in the sole discretion of the Subscriber, any event that will cause or likely to cause a material adverse change;
- (e) all other necessary authorisations pursuant to the Listing Rules and applicable laws for the consummation of the transactions contemplated in the CB Subscription Agreement having been obtained by the Subscriber and remain in full force;
- (f) the Share Subscription Completion having taken place pursuant to the Share Subscription Agreement;
- (g) the Subscriber having received to its satisfaction each of the following documents:
 - (i) the written unconditional confirmation from the Licensor (in a form satisfactory to the Subscriber) in relation to the grant of a waiver of the minimum guaranteed net sales and minimum guaranteed royalty payments for the period ended 31 December 2021 under the License Agreement and that the subject matters of such waiver will not constitute a breach of the License Agreement or in any way trigger its early termination or affect the automatic extension of the term of the License Agreement for a period of an additional five years from 1 January 2026 to 31 December 2030, having been obtained by the Target Company and remaining in full force and effect;
 - (ii) the written unconditional confirmation from the Licensor (in a form satisfactory to the Subscriber) that the entering into and performance by the Target Company of its obligations under the Share Subscription Agreement, the CB Subscription Agreement and the transactions contemplated thereunder, does not and will not constitute as a “substantial change in control” event as defined in the License Agreement or result in a breach of the License Agreement, having been obtained by the Target Company and remaining in full force and effect;

- (iii) the written unconditional consent from the Licensor (in a form satisfactory to the Subscriber) for the Subscriber to manufacture the licensed products or components as defined under the License Agreement (including the entering into the Key Manufacturing and Supply Agreement), having been obtained by the Subscriber and remaining in full force and effect;
- (iv) the executed Shareholders Agreement entered into among the Target Company, the Existing Shareholder and the Subscriber;
- (v) the executed Key Manufacturing and Supply Agreement entered into among the Target Company and the Subscriber;
- (vi) the executed Shareholder's Loan Agreements entered into between, Ms. WH Chang and Mr. Chen with the Target Company respectively;
- (vii) an original of a resolution of the Target Board:
 - (A) approving the terms of, and the transactions contemplated by, the CB Subscription Agreement and the CB and resolving that it executes the CB Subscription Agreement and the CB (including the issuance of the certificate in respect of the CB and the entry of the name of the Subscriber into the register of convertible bond as the holder of the CB);
 - (B) authorising a specified person or persons to execute the CB Subscription Agreement and the CB on its behalf; and
 - (C) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the CB Subscription Agreement and the CB;
- (viii) a specimen of the signature of each person authorised by the resolution referred to in (vii)(B) above; and
- (ix) a certificate of an authorised signatory of the Target Company certifying that each copy document specified in CB Subscription Condition (g) above is correct, complete and in full force and effect as at a date no earlier than the date of the CB Subscription Agreement;
- (h) the License Agreement remaining in full force and effect;
- (i) the Audited Accounts of the Target Company having been prepared in conformity with the generally accepted accounting principles of Hong Kong and satisfactory to the Subscriber;
- (j) the Target Company having complied with the terms of the CB Subscription Agreement in all material respects; and

- (k) all warranties given by the Target Company and each of the Existing Shareholders remaining true, accurate and complete in all material respects and not misleading, and all undertakings made by the Target Company and the Existing Shareholders under the CB Subscription Agreement and the CB not having been breached in any material aspect.

The issue of the Second Tranche CB is subject to the continuing satisfaction of the conditions to the issuance of the First Tranche CB above (other than items (a), (f) and (i), which relate only to the First Tranche CB) and the satisfaction of the further CB Subscription Conditions that:

- (l) Subscription Shares having been duly issued to the Subscriber pursuant to the Share Subscription Agreement;
- (m) the issue of the First Tranche CB having been taken place;
- (n) the Shareholders Agreement not having been breached in any material respects; and
- (o) the Key Manufacturing and Supply Agreement not having been breached in any material respects.

The CB Subscription Completion is conditional upon, among other things, all the CB Subscription Conditions being fulfilled or waived (as the case may be). Save for CB Subscription Condition (e) above, which cannot be waived by any party to the CB Subscription Agreement, all other CB Subscription Conditions can be fully or partly waived in writing by the Subscriber.

If the CB Subscription Conditions with respect to the First Tranche CB are not fulfilled or otherwise waived in writing by the Subscriber within sixty (60) Business Days after the date of the CB Subscription Agreement, or such longer period as may be agreed by the Subscriber, the CB Subscription Agreement shall automatically be terminated and cease to be of any effect, and none of the parties under the CB Subscription Agreement shall have any claim against the others for costs, damages, compensation or otherwise save in respect of any prior breach of the CB Subscription Agreement. If the CB Subscription Conditions with respect to the Second Tranche CB are not fulfilled or otherwise waived in writing by the Subscriber, no party shall be obliged to proceed to the completion of the Second Tranche CB. The First Tranche CB issued by the Target Company to the Subscriber will continue to be subject to the provisions of the CB Subscription Agreement which shall remain in full force and effect. The Share Subscription Agreement and the CB Subscription Agreement are inter-conditional.

Principal terms of the CB

Set out below are the principal terms of the CB:

Subscriber	:	the Subscriber
Issuer	:	the Target Company
Principal	:	HK\$44 million

- Interest : 1% per annum which shall accrue daily on a 365-day basis and payable upon redemption or maturity
- Maturity : 2 years from the date of issue of the First Tranche CB (the “**Initial Maturity Date**”), extendable for another 1 year (the “**Extended Maturity Date**”) at the sole and absolute discretion of the Subscriber by notice in writing to the Target Company at least fourteen (14) Business Days before the expiry of the Initial Maturity Date
- Target profit : Net profit after tax of the Target Company, excluding extraordinary items and government subsidies, in an amount of HK\$18 million (reviewed by auditors taken agreed upon procedures prescribed by the Subscriber and the Target Board) for any rolling twelve months during the period commencing from the date of issue of the First Tranche CB until the Initial Maturity Date or if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date (the “**Target Profit**”)
- Conversion shares : Assuming full conversion of the CB (i.e. the aggregate principal amount of HK\$44 million), the Target Company will issue new Target Shares to the Subscriber resulting in the Subscriber holding an aggregate 30% equity interest in the Target Company as enlarged by the Subscription Shares and the Conversion Shares (or 51% equity interest in the Target Company as enlarged by the Subscription Shares and the Default Shares, in the event that any of the events of default under the CB is triggered (as set out below))
- Conversion period : the period commencing from the date of issue of the Second Tranche CB and ending on the Initial Maturity Date or if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date (the “**Conversion Period**”)
- Conversion right : The Subscriber shall have the right to convert all of the principal amount of its holding of CB for Conversion Shares (or Default Shares (as the case may be)) at any time during the Conversion Period. No conversion right may be exercised unless completion of Subscription of both the First Tranche CB and the Second Tranche CB

The number of Conversion Shares (or Default Shares (as the case may be)) to be issued by the Target Company to the Subscriber on conversion of the CB will be determined by the following formula at the date of conversion:

$$(ES + CS)/T = N\%$$

Where:

CS = The number of Conversion Shares (or Default Shares in the event that any of the events of default under the CB is triggered) to be issued by the Target Company to the Subscriber upon exercise in full of the conversion rights under the CB

ES = The existing Target Shares held by the Subscriber in the Target Company immediately prior to the date of conversion (for the avoidance of doubt, including Target Shares subscribed by the Subscriber under the Share Subscription Agreement)

T = Total issued Target Shares in the Target Company immediately prior to the date of conversion on a fully-diluted and as-if converted basis (for the avoidance of doubt, including (a) Target Shares subscribed by the Subscriber under the Share Subscription Agreement; and (b) the Conversion Shares (or Default Shares in the event that any of the events of default under the CB is triggered))

N% = Percentage to be held by the Subscriber in the total issued share capital in the Target Company on a fully-diluted and as-if converted basis, where N% shall have the following meaning in the scenarios set out below:

- (a) N% shall be prescribed as 30%,
 - (I) if the Target Profit is achieved by the Target Company on or before the Initial Maturity Date; or
 - (II) if the Target Profit is not achieved by the Target Company on or before the Initial Maturity Date but is achieved by the Target Company on or before the Extended Maturity Date (where the Company at its sole and absolute discretion extends the Initial Maturity Date in accordance with the terms and conditions of the CB); or

- (b) in the event of triggering any of the events of default as set out below, N% shall be prescribed as 51%,
 - (I) if (a) the Target Profit is not achieved by the Target Company on or before the Initial Maturity Date; (b) the Subscriber does not extend the Initial Maturity Date; and (c) the Target Company fails to pay any amount of principal, interest, premium or any other amount in respect of or in connection with the CB on the due date for payment thereof;
 - (II) if (a) the Target Profit is not achieved by the Target Company on or before the Extended Maturity Date (where the Subscriber at its sole and absolute discretion extends the Initial Maturity Date in accordance with the terms and conditions of the CB); and (b) the Target Company fails to pay any amount of principal, interest, premium or any other amount in respect of or in connection with the CB on the due date for payment thereof (paragraphs b(I) and (II) above are collectively referred to as “**Specific EODs**”); or
 - (III) if any other events of default as specified under the terms and conditions of the CB occur during the Conversion Period.

On conversion, the right of the Subscriber to repayment of the principal amount of the CB to be converted (and the premium thereon) shall be extinguished and released, and as consideration and for conversion, the Target Company shall issue to the Subscriber the Conversion Shares (or Default Shares (as the case may be)) credited as paid up in full. For the avoidance of doubt, on conversion, the right of the Subscriber to be paid interest accrued on the principal amount of such Convertible Bonds to be converted shall neither be extinguished nor released.

No fractional Conversion Shares (or Default Shares (as the case may be)) shall be issued upon conversion of the CB. The Target Company shall, in lieu of issuing any fractional Target Share, at the Subscriber's option (i) pay cash equal to the product of such fraction multiplied by the price per Conversion Share (or Default Shares (as the case may be)) on the date of conversion; or (ii) round up such fraction such that the number of Conversion Shares (or Default Shares (as the case may be)) issued is a whole number.

Anti-dilution : *Distributable payable in securities other than ordinary Shares*

In the event the Target Company, at any time or from time to time after the issue of the Second Tranche CB and prior to any conversion of the CB pursuant to the terms and conditions of the CB, makes or fixes a record date for the determination of holders of ordinary Target Shares entitled to receive any distribution payable in securities of the Target Company other than ordinary Target Shares and other than as otherwise adjusted in this provision, then and in each such event, provision shall be made so that the Subscriber shall receive upon conversion of the CB, in addition to the number of Conversion Shares (or Default Shares (as the case may be)) receivable thereupon, the amount of securities of the Target Company which it would have received had the CB been converted into Conversion Shares (or Default Shares (as the case may be)) on the date of such event and had they thereafter, during the period from the date of such event to and including the date of Conversion, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this provision with respect to the rights of the Subscriber.

Merger, Consolidation or Reorganisation

If at any time and from time to time there is any merger, consolidation or amalgamation of the Target Company with or into another entity (other than a merger, consolidation or amalgamation which constitutes an insolvency event as defined in the terms and conditions of the CB) then in each such case, as a part of such merger, consolidation, amalgamation, the Subscriber shall have the right to convert the CB to receive the same (or as equivalent as practicable) class and number of shares or other securities or property to which it would have been entitled to receive on such merger, consolidation, amalgamation had it converted its CB then outstanding into Conversion Shares (or Default Shares (as the case may be)) immediately prior to the effective date of such merger, consolidation or amalgamation.

Other Events

If the Target Company or the Subscriber determines that an adjustment should be made to the Conversion Shares (or Default Shares (as the case may be)) as a result of one or more events or circumstances not referred to in the terms and conditions of the CB, the Target Company shall, at the Target Company's expense, consult an independent financial adviser to determine as soon as practicable what adjustment (if any) to the Conversion Shares (or Default Shares (as the case may be)) is fair and reasonable to take account thereof and the date on which such adjustment should take effect as may be advised by the independent financial adviser to be in its opinion appropriate to give the intended result.

Redemption : **Early redemption by the Target Company**

Unless otherwise in accordance with the terms and conditions of the CB, the Target Company shall not have the right to request early redemption of the CB prior to the Initial Maturity Date, or if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date.

Redemption at maturity

On the Initial Maturity Date (or if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date), the Target Company shall redeem any principal amount of the CB which remains outstanding and not previously redeemed, converted or cancelled in accordance with the terms and conditions of the CB Subscription Agreement by paying to the Subscriber the whole of the principal amount of the CB thereof, together with all accrued interests calculated in accordance with the terms and conditions of the CB Subscription Agreement accrued up to and including the Initial Maturity Date, and if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date which shall be payable by the Target Company in cash and in HK\$ within fourteen (14) Business Days after the Initial Maturity Date, and if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date.

Redemption upon event of default

The Subscriber shall be entitled to require, by lodging a notice of repayment, to the Target Company, redemption of all or part of the CB registered in its name and payment of an amount in cash and in HK\$ calculated in accordance with the terms and conditions of the CB within fourteen (14) Business Days after the date of the notice of repayment in any event of default as outlined in “Events of default” below shall occur on or before the Initial Maturity Date, or if extended pursuant to the terms and conditions of the CB, the Extended Maturity Date.

- Events of default : In addition to Specific EODs, set out below are other events of default under the CB:
- (i) *Non-payment*: the Target Company fails to pay any amount of principal, interest, premium or any other amount in respect of or in connection with the CB on the due date for payment thereof and such breach is not remedied within fourteen (14) Business Days after the default;
 - (ii) *Failure to deliver Shares*: any failure by the Target Company to deliver any Conversion Shares (or Default Shares (as the case may be)) as and when the Conversion Shares (or Default Shares (as the case may be)) are required to be delivered following conversion of CB;
 - (iii) *Breach of terms or obligations*: the Target Company or any Existing Shareholders defaults in the performance or observance of any term of any CB Transaction Documents in any material respect and such breach is not remedied within fourteen (14) Business Days after the default;
 - (iv) *Cross-Default*: (a) any other present or future indebtedness of the Target Company or any member of the Target Group for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described); or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or (c) the Target Company or any member of the Target Group fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;

- (v) *Litigation*: any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened against the Target Company or any member of the Target Group or any of their respective assets (or against the directors of the Target Company or any member of the Target Group arising from their carrying out of duties as directors of the Target Company or any member of the Target Group) which are reasonably likely to be adversely determined and, if so determined, could reasonably be expected to have a material adverse effect;
- (vi) *Insolvency*: an event has occurred which is, or which may with the taking of any step or the passage of time become, an insolvency event in relation to the Target Company or any member of the Target Group;
- (vii) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution, judicial management or administration of the Target Company or any member of the Target Group;
- (viii) *Failure to take action, etc.*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Target Company or the Existing Shareholders lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the CB or the CB Transaction Documents; (ii) to ensure that those obligations are legal, valid, binding and enforceable; and (iii) to make the CB and the CB Transaction Documents admissible in evidence in the courts of the Hong Kong is not taken, fulfilled or done;
- (ix) *Unlawfulness*: it is or will become unlawful for the Target Company or the Existing Shareholders to perform or comply with any of their respective obligations under or in respect of the CB or the CB Transaction Documents;

- (x) *Nationalisation*: (a) any step is lawfully taken by any competent governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or substantially all of the assets of the Target Company or any member of the Target Group; or (b) the Target Company or any member of the Target Group is prevented by any competent governmental authority from exercising normal control over all or substantially all of its property, assets and turnover; or
- (xi) *Breach of Law*: there is a material breach of any applicable law by the Target Company or any member of the Target Group or any director or senior officers of the Target Company when acting for and on behalf of the Target Company.

Transferability : Unless with the prior written consent of the Target Company, the CB shall not be freely transferable.

Undertakings : The Target Company unconditionally and irrevocably undertakes and the Existing Shareholders shall procure the Target Company that:

- (a) all the Target Shares which shall fall to be issued by Issuer upon conversion of the CB will rank *pari passu* in all respects with all other Target Shares then in issue;
- (b) so long as any of the CB remains outstanding, the Target Company shall not without prior written consent from the Subscriber:
 - (i) issue any Target Shares or any securities exchangeable for or convertible into new Target Shares;
 - (ii) allow the creation of any encumbrances over the Target Company or the Target Company's capital or assets; and
 - (iii) change of Target Directors;

- (c) so long as any of the CB remains outstanding, the Target Company shall use its best efforts to take, fulfil or do, or procure to be taken, fulfilled or done, all actions, conditions and things (including, without limitation, the obtaining or effecting of all necessary authorisations) at any time required to be taken, fulfilled or done, for the purposes of:
 - (i) enabling it to lawfully enter into, exercise its rights, and perform, observe and comply with its obligations under the CB Subscription Agreement; and
 - (ii) ensuring that such obligations are legally binding and enforceable;
- (d) so long as any of the CB remains outstanding, each of the Existing Shareholders unconditionally and irrevocably undertakes that without prior written consent from the Subscriber, he/she/it shall not dispose or acquire or create any encumbrances over any Target Shares;
- (e) unless prior written consent is obtained from the Subscriber, the Consideration shall be used only for the purposes of working capital of the Target Company, and for the purpose of monitoring the use of the Consideration, the Subscriber's nominee added as a joint bank signatory to the Target Company's bank account(s) shall not be removed without the prior written consent of the Subscriber;
- (f) within ten (10) Business Days, after the date of issue of the First Tranche CB, the Target Company shall appoint a person nominated by the Subscriber as a joint bank signatory to the Target Company's bank account(s) such that any operation of such bank account(s) shall require all the signatures and/or the affixation of chops of the respective nominees of the Subscriber and the Target Company.

The terms of the CB was negotiated on arm's length basis between the Subscriber and Existing Shareholders and was determined with reference to, among other things, (i) current market practices in relation to the issue and subscription of convertible bonds; and (ii) the ability of the Target Company and the Existing Shareholders to repay the CB in the event that the Target Profit is not met. The Board considers that the terms of the CB are on normal commercial terms and are fair and reasonable.

CB Subscription Completion

Subject to the fulfilment of CB Subscription Conditions with respect to First Tranche CB or as otherwise waived in accordance with the CB Subscription Agreement, the issue of the First Tranche CB shall take place within three Business Days after satisfaction or waiver by the Subscriber of such CB Subscription Conditions.

Subject to the continuous satisfaction of the CB Subscription Conditions with respect to First Tranche CB and the fulfilment of the CB Subscription Conditions with respect to the Second Tranche CB or as otherwise waived in accordance with the CB Subscription Agreement, the issue of the Second Tranche CB and the CB Subscription Completion shall take place within three Business Days after satisfaction or waiver by the Subscriber of such CB Subscription Conditions.

In the event that the Target Company meets the Target Profit and the Subscriber exercises in full the conversion rights under the CB, the Subscriber will hold 30% of equity interest in the Target Company on a fully-diluted and as-if converted basis, and the Target Company will remain an associate of the Subscriber and the financial results of the Target Company will be equity accounted for in the Group's consolidated financial statements.

In the event that any of the events of default under the CB is triggered and the Subscriber exercises in full the conversion rights under the CB, the Subscriber will hold 51% equity interest in the Target Company on a fully-diluted and as-if converted basis, and the Target Company will become a non-wholly owned subsidiary of the Subscriber and the financial results of the Target Company will be consolidated into the Group's consolidated financial statements.

POST COMPLETION ARRANGEMENTS

Pursuant to the Subscription Agreements, the Subscriber, the Target Company and the Existing Shareholders (as the case may be) will also enter into the following agreements regarding the management and operation of the Target Company:

Shareholders Agreement

Upon the Share Subscription Completion, the Subscriber will enter into the Shareholders Agreement with the Target Company and the Existing Shareholders regarding the management of the Target Company. Set out below are the principal terms of the Shareholders Agreement:

- (i) the objectives of the Target Company are to carry on, grow and develop the business of developing, manufacturing, marketing and sales of the products branded with the Licensed Trademark pursuant to the License Agreement and such other business as may be agreed by the parties to the Shareholders Agreement in writing from time to time;
- (ii) the parties to the Shareholders Agreement agree and acknowledge that the Subscriber shall be the key supplier of products to the Target Company, such that so long as the Subscriber (by itself or through companies controlled by it) has the relevant manufacturing capability or capacity, the Target Company shall engage the Subscriber as supplier of such products to the extent the Subscriber is able to offer terms no less favourable than other suppliers;

- (iii) none of the Target Shareholders shall (and shall procure that none of its associates (other than the Target Company) shall) enter into any transaction with the Licensor without the prior written consent of all other Target Shareholders;
- (iv) the Subscriber shall, for so long as it continues to remain a Target Shareholder, be entitled to appoint one Target Director to represent it on the Target Board and shall be entitled at any time to remove or substitute any Target Directors so appointed. In the event the Subscriber holds 51% or more issued Target Shares, the maximum number of Target Directors at any given time shall be increased to five and the Subscriber shall have the right to appoint three Target Directors and shall be entitled at any time to remove or substitute any Target Directors so appointed;
- (v) the Target Shareholders agree that the Existing Shareholders shall focus its effort in overseeing the sales and marketing functions and licensee maintenance of the Target Company; and the Subscriber shall focus its effort in overseeing the finance, manufacturing, quality and assurance functions of the Target Company, and the Existing Shareholders and the Subscriber shall have the right to nominate the officers of the relevant areas respectively;
- (vi) notwithstanding anything contained in the Shareholders Agreement, the Target Shareholders shall procure that without the prior written consent or the unanimous resolution of all Target Shareholders, the Target Company shall not, and no resolution (whether Target Board or Target Shareholders' resolution) of the Target Company will be passed, to carry out or take any decisions in relation to certain matters as outlined in the Shareholders Agreement; and
- (vii) no Target Shares or any interest therein shall be sold, exchanged, transferred, disposed of, encumbered, pledged, mortgaged, hypothecated, given, devised or bequeathed, and no agreement or commitment shall be made to do any of the same, except in each case with the written consent of all the Target Shareholders; in the event such consent is obtained, the selling Target Shareholder shall either (a) offer the relevant Target Shares for purchase by the other Target Shareholders first before being able to sell to third party, or (b) if the proposed sale involves more than 50% of Target Shares, allow the other Target Shareholders to sell their Target Shares to the proposed buyer at the same terms under which the Target Shares are being sold by the selling Target Shareholder; and
- (viii) the Shareholders Agreement shall take effect on and from the date thereof, and shall continue in full force and effect without limit in point of time, and shall terminate only on the occurrence of any of the following events:
 - (a) by the written agreement of all parties thereto;
 - (b) if only one of the parties thereto continues to hold Target Shares; or
 - (c) on the winding up of the Target Company and completion of the distribution of proceeds, if any, from such winding up,

provided, however, that the Shareholders Agreement shall cease to have effect as regards any party thereto who ceases to hold any Target Shares.

Key Manufacturing and Supply Agreement

Upon the Share Subscription Completion, the Subscriber will enter into the Key Manufacturing and Supply Agreement with the Target Company regarding the manufacturing of certain products under the Licensed Trademark. Set out below are the principal terms of the Key Manufacturing and Supply Agreement:

- (i) during the term of the Key Manufacturing and Supply Agreement, the Target Company shall appoint the Subscriber as the key supplier of specified products to the Target Company in specified territories. As the Target Company's key supplier, for so long as the Subscriber has the manufacturing and technical capability or capacity to be engaged by the Target Company as a supplier of the specified products to the Target Company, the Target Company undertakes that the Subscriber shall be its primary supplier of specified products and shall endeavour to engage the Subscriber for the supply of the specified products, unless another supplier on terms more favourable than the terms offered by the Subscriber can be engaged by the Target Company to supply the specified products to the Target Company in the specified territories;
- (ii) all intellectual property, together with all materials, data, writings and other property in any form whatsoever, which is provided to the Subscriber by or on behalf of the Target Company, and which was owned or controlled by the Target Company and/or its respective affiliates (including pursuant to the Key Manufacturing and Supply Agreement or any other relevant and ancillary agreement) prior to being provided to or used by the Subscriber, shall remain owned or controlled by the Target Company (the "**Customer Property**"). The Target Company grants to the Subscriber a non-exclusive license to use any Customer Property solely in connection with the Subscriber performing its obligations under the Key Manufacturing and Supply Agreement. The Subscriber shall not acquire any other right, title or interest in or to the Customer Property as a result of its performance under the Key Manufacturing and Supply Agreement;
- (iii) the parties to the Key Manufacturing and Supply Agreement acknowledge and agree that improvements or modifications to Customer Property may be made by or on behalf of the Subscriber ("**Improvements**"), and creative ideas, proprietary information, developments, or inventions may be developed under or in connection with the Key Manufacturing and Supply Agreement by or on behalf of the Subscriber ("**Developments**"), in each case either alone or in concert with the Target Company or any third parties;
- (iv) the parties to the Key Manufacturing and Supply Agreement acknowledge and agree that the intellectual property rights derived in connection with any Improvements or Developments shall be jointly owned by the the parties to the Key Manufacturing and Supply Agreement and that, as of the expiration or termination of the Key Manufacturing and Supply Agreement, shall continue to be jointly owned by the parties to the Key Manufacturing and Supply Agreement thereafter; and

- (v) the Key Manufacturing and Supply Agreement shall commence on the date of the Key Manufacturing and Supply Agreement and shall continue for a period of five years (the “**Manufacturing Term**”) unless terminated pursuant to the terms and conditions of the Key Manufacturing and Supply Agreement or the mutual written agreement of the parties to the Key Manufacturing and Supply Agreement or the Subscriber is no longer a holder of any shares or convertible securities of the Target Company. At the end of the Manufacturing Term, the Key Manufacturing and Supply Agreement shall be renewable upon mutual consent of the parties to the Key Manufacturing and Supply Agreement for an additional five years.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited liability company incorporated in Hong Kong. The Target Company is principally engaged in the development and sales of high technology floor care products including, among others, vacuum cleaners and has entered into the License Agreement with the Licensor, a Fortune 100 company listed on the Nasdaq Stock Market and a constituent of the Dow Jones Industrial Average index with strong global brand awareness and market share as a supplier of home appliances and products, pursuant to which the Target Company has the right to use the Licensed Trademark in certain products in its ordinary course of business as a wholesale distributor.

The term of the License Agreement is from 26 August 2020 until 31 December 2025 and will automatically extend for an additional five year term through 31 December 2030 under the same terms and conditions applicable to the last calendar year of the License Agreement (except for minimum sales/royalty payments) provided that (i) the Target Company is in full compliance with the terms of the License Agreement at the time of such renewal; (ii) the Target Company was not given formal notice of breach of the License Agreement by the Licensor during the term of the License Agreement; and (iii) the Target Company meets the minimum guaranteed net sales for each calendar year under the License Agreement.

Financial information of the Target Company

Set out below is the financial information of the Target Company as extracted from its unaudited management accounts for the period from 26 June 2020 (date of incorporation) to 31 December 2021.

**For the period from
26 June 2020
(date of incorporation)
to 31 December 2021
(unaudited)
approximately
HK\$**

Revenue	–
Net loss (both before and after taxation)	(9,895,399)

As the Target Company was incorporated on 26 June 2020 and is at a sales and product development stage as at the date of this announcement, the Target Company recorded no revenue for the period from 26 June 2020 (date of incorporation) to 31 December 2021 but a net loss of HK\$9.9 million for the same period.

As at 31 December 2021, the Target Company recorded a net asset value of approximately HK\$104,601.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Company is an investment holding company and the Subscriber is an indirect wholly owned subsidiary of the Company. The Group is principally engaged in the provision of electronics manufacturing services offering full turnkey solutions with particular focus in consumer electronic products that covers a range of product applications including vapour products, appliances, commercial control and heating, ventilation and air conditioning.

On the other hand, the Target Company is principally engaged in the development and sales of the high technology floor care products including, among others, vaccum cleaners and has been granted the right to use the Licensed Trademarks in certain products in its ordering course of business as a wholesale distributor.

The Subscriptions are a strategic cooperation between the Group and the Target Company. The Directors consider that the Group has strong expertise in research and development with a long history as an electronics manufacturer and established manufacturing infrastructure but currently lacks a direct distribution and sales network, being largely reliant on its customers. On the contrary, the Target Company has established a sales network in the US but currently lacks the required manufacturing and technical capabilities to meet the ongoing requirements under the License Agreement. Through subscribing a direct interest in and directly cooperating with the Target Company by entering into the Key Manufacturing and Supply Agreement, the Group can leverage on the Target Company's experience sales network and start establishing its own network while also expanding the Group's revenue sources. Thus, the manufacturing and research and development expertise of the Company and the sales and distribution expertise of the Target Company are expected to create synergy effects.

In addition, the Licensor distributes products with their Licensed Trademark in over 1,200 locations across over 70 countries. The cooperation with the Target Company in using the Licensed Trademark is able to complement to the Group's existing business model that lacks self-owned trademarks. It is an alternative solution to establishing or acquiring a trademark by the Company, which can be costly with no guarantee of success. The Licensed Trademark's global brand recognition can also help the Group to market its manufacturing capabilities and increase market awareness of the Group's products and services, especially in the international markets that can help expand the Group's portfolio and footprint.

The Subscriptions are also an investment in the Target Company to expand the Target Company's operations which is expected to boost the Group's revenue as the Subscriber and the Target Company will enter into the Key Manufacturing and Supply Agreement on or before the completion of the Subscriptions. The Group will become the Target Company's primary supplier to manufacture and supply specified products (including products with the Licensed Trademark) to meet the demand of the Target Company's customers, and thus the Group may also potentially benefit from the increased valuation of the Target Company.

The Company also considers the floor care products market to have strong future prospects due to the explosive growth of the overall household cleaning products market. The COVID-19 outbreak led to significant growth in the global household cleaning products market through increased consumer awareness on hygiene and cleanliness. Demand for cleaning products, including floor care products, have already greatly outpaced supply in many regions. The Group considers the Subscriptions and future cooperation through the Shareholders Agreement and the Key Manufacturing and Supply Agreement with the Target Company provides an excellent opportunity to participate in the growth of the cleaning products industry and also to expand further into the general household products market.

Taking into account the above, despite that the Target Company is only at a sales and project development stage and has yet to derive revenue as at the date of this announcement, the Directors believe that the terms of the Subscription Agreements, including the Share Subscription Consideration and the CB Subscription Consideration, are fair and reasonable and the entering into of the Subscription Agreements is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Subscriptions are in aggregate more than 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Audited Accounts”	the audited financial statements of the Target Company comprising a statement of profit or loss and other comprehensive income for (i) the period commencing from the date of incorporation to 31 December 2020; and (ii) the year from 1 January 2021 to 31 December 2021 respectively, a statement of financial position of the Target Company as at 31 December 2020 and 31 December 2021 respectively and all notes, reports and other documents annexed thereto in accordance with the generally accepted accounting principles of Hong Kong
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are open for general business, other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.

“CB”	the two tranches of convertible bonds in the aggregate principal amount of HK\$44,000,000 to be issued by the Target Company and subscribed by the Subscriber pursuant to the terms and conditions of the CB Subscription Agreement
“CB Subscription”	the subscription of the CB by the Subscriber pursuant to the terms and conditions of the CB Subscription Agreement
“CB Subscription Agreement”	the conditional subscription agreement in relation to the subscription of the CB by the Subscriber
“CB Subscription Completion”	completion of the CB Subscription pursuant to the terms and conditions of the CB Subscription Agreement
“CB Subscription Conditions”	the conditions precedent set out in the CB Subscription Agreement
“CB Subscription Consideration”	the aggregate consideration of HK\$44,000,000 payable by the Subscriber to the Target Company for the CB Subscription pursuant to the terms and conditions of the CB Subscription Agreement
“CB Transaction Documents”	the terms and conditions of the CB and the CB Subscription Agreement
“Company”	Wise Ally International Holdings Limited (麗年國際控股有限公司), a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9918)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Shares”	new Target Shares to be issued by the Target Company pursuant to the exercise of the conversion rights attached to the CB, resulting in the Subscriber holding an aggregate 30% equity interest in the Target Company as enlarged by the Subscription Shares and the Conversion Shares
“Default Shares”	new Target Shares to be issued by the Target Company pursuant to the exercise of the conversion rights attached to the CB, resulting in the Subscriber holding an aggregate 51% equity interest in the Target Company as enlarged by the Subscription Shares and the Default Shares
“Directors”	the directors of the Company

“Existing Shareholders”	the legal beneficial owners of the Target Company and the ultimate beneficial owners of the Target Company immediately prior to the Share Subscription Completion, being Ms. WH Chang, Mr. Chen, Ecolux Innovation Limited, Ms. Chang Wai San and Ms. Cheung Kin Shun
“Extended Maturity Date”	has the meaning ascribed thereto in the paragraph headed “Principal terms of the CB” under the section headed “THE CB SUBSCRIPTION AGREEMENT” in this announcement
“First Tranche CB”	the first tranche of the CB in aggregate principal amount of HK\$22,000,000
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Initial Maturity Date”	has the meaning ascribed thereto in the paragraph headed “Principal terms of the CB” under the section headed “THE CB SUBSCRIPTION AGREEMENT” in this announcement
“Key Manufacturing and Supply Agreement”	The manufacturing and supply agreement to be entered into between the Subscriber, the Target Company and the Existing Shareholders
“License Agreement”	the license agreement dated 26 August 2020 entered into between the Target Company and the Licensor in relation to the use of the Licensed Trademark by the Target Company
“Licensed Trademark”	a brand trademark licensed by the Target Company from the Licensor under the terms and conditions of the License Agreement

“Licensor”	a publicly traded company incorporated in the US and listed on the Nasdaq Stock Market and the owner of the Licensed Trademark
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chen”	Mr. Chen Chien Yeh, an Existing Shareholder
“Ms. WH Chang”	Ms. Chang Wai Han Vivian, an Existing Shareholder
“Second Tranche CB”	the second tranche of the CB in aggregate principal amount of HK\$22,000,000
“Share Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Share Subscription Agreement
“Share Subscription Agreement”	the conditional subscription agreement in relation to the subscription of the Subscription Shares by the Subscriber
“Share Subscription Completion”	completion of the Share Subscription pursuant to the terms and conditions of the Share Subscription Agreement
“Share Subscription Conditions”	the conditions precedent set out in the Share Subscription Agreement
“Share Subscription Consideration”	the consideration of HK\$2,000,000 payable by the Subscriber to the Target Company for the Share Subscription pursuant to the terms and conditions of the Share Subscription Agreement
“Shareholder(s)”	holder(s) of share(s) issued by the Company
“Shareholders Agreement”	the shareholders agreement to be entered into between the Subscriber, the Target Company and the Existing Shareholders
“Shareholder’s Loan Agreements”	The shareholder’s loan agreements to be entered into between the Target Company, Ms. WH Chang and Mr. Chen in relation to the outstanding shareholder’s loans that were advanced to the Target Company by Ms. WH Chang and Mr. Chen
“Specific EODs”	has the meaning ascribed thereto in the paragraph headed “Principal terms of the CB” under the section headed “THE CB SUBSCRIPTION AGREEMENT” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Wise Ally Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Subscription Agreements”	collectively the Share Subscription Agreement and the CB Subscription Agreement
“Subscription Shares”	new Target Shares, representing 10% of the issued Target Shares as enlarged by the Subscription Shares, to be issued by the Target Company and subscribed by the Subscriber pursuant to the terms and conditions of the Share Subscription Agreement
“Subscriptions”	collectively the Share Subscription and the CB Subscription
“Target Board”	the board of Target Directors
“Target Company”	Talentone Technology Limited, a company incorporated in Hong Kong with limited liability
“Target Directors”	the directors of the Target Company
“Target Group”	the Target Company and its subsidiaries
“Target Shareholders”	holder(s) of share(s) issued by the Target Company
“Target Shares”	ordinary share(s) in the share capital of the Target Company
“Target Profit”	has the meaning ascribed thereto in the paragraph headed “Principal terms of the CB” under the section headed “THE CB SUBSCRIPTION AGREEMENT” in this announcement
“US”	the United States of America
“%”	per cent

By order of the Board
Wise Ally International Holdings Limited
Chu Wai Hang Raymond
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 28 January 2022

As at the date of this announcement, the executive Directors are Mr. Chu Wai Hang Raymond, Mr. Chu Man Yin Arthur Newton and Mr. Lau Shui Fung; and the independent non-executive Directors are Ms. Ling Imma Kit Sum, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting.