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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)

**AMENDMENT OF THE TERMS AND CONDITIONS OF
THE CONVERTIBLE BONDS
AND
COMPLETION OF DISCLOSEABLE TRANSACTION
IN RELATION TO THE SUBSCRIPTION OF
SHARES AND FIRST TRANCHE CONVERTIBLE BONDS
OF THE TARGET COMPANY**

Financial adviser to the Company



Reference is made to the announcements of the Company dated 28 January 2022 (the “**Announcement**”) and 8 February 2022 in relation to a discloseable transaction regarding the Subscriptions of the Subscription Shares and the CB of the Target Company. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless otherwise specified.

AMENDMENT OF THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

On 18 March 2022, the Target Company requested the Subscriber for consent to a variation of the conversion rights of the CB by amending certain terms and conditions of the CB (the “**Amendment**”). On 22 March 2022, the Subscriber consented to the Amendment in writing.

Pursuant to the Amendment, the Subscriber’s right to receive Default Shares upon exercising in full its conversion rights under the CB in the event that any of the events of default under the CB is triggered has been removed. However, the Subscriber’s right to receive Conversion Shares, resulting in the Subscriber holding an aggregate 30% equity interest in the Target Company as enlarged by the Subscription Shares and the Conversion Shares upon exercising in full its conversion rights under the CB remains unchanged. Save for the Amendment, all other terms and conditions of the CB remain intact and unchanged.

As disclosed in the Announcement, the Group is optimistic about the potential synergy effects between the Group and the Target Company and the potential growth that can be attained from manufacturing the Licensed Products and their components on behalf of the Target Company. Based on an assessment of the Target Company and the Existing Shareholders, the Board is also of the opinion that the likelihood of default by the Target Company is relatively low and therefore it is unlikely the Subscriber will exercise the conversion right to receive Default Shares.

As the Amendment would result in the Target Company being unable to meet certain conditions under the Subscription Agreements, the Company also waived certain conditions under the Subscription Agreements. The conditions and terms waived and amended respectively are in the event of default of the CB only and will not have any material effect on the Group unless a default occurs. The potential issue of the Default Shares was to provide flexibility for the Target Company and the Existing Shareholders to repay the CB.

Taking into account the aforementioned, the Board considers that after the Amendment, the entering into of the Subscription Agreements and the transactions contemplated thereunder are still fair and reasonable and in the best interests of the Shareholders.

SHARE SUBSCRIPTION COMPLETION

The Board is pleased to announce that all Share Subscription Conditions have been fulfilled or waived and the Share Subscription was completed on 22 March 2022 in accordance with the terms and conditions of the Share Subscription Agreement. Upon the Share Subscription Completion, the Target Company issued the Subscription Shares, representing 10% of the issued Target Shares as enlarged by the Subscription Shares, to the Subscriber.

FIRST TRANCHE CB SUBSCRIPTION COMPLETION

The Board is also pleased to announce that all CB Subscription Conditions for the issue of First Tranche CB have been fulfilled or waived and the subscription of the First Tranche CB was completed on 22 March 2022 in accordance with the terms and conditions of the CB Subscription Agreement. Upon the completion of subscription of the First Tranche CB, the Target Company issued the First Tranche CB in aggregate principal amount of HK\$22,000,000 to the Subscriber.

POST COMPLETION ARRANGEMENTS

Pursuant to the Subscription Agreements, upon the completion of the Subscriptions, the Subscriber, the Target Company and the Existing Shareholders entered into the Shareholders Agreement and the Key Manufacturing and Supply Agreement.

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

Hong Kong, 22 March 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.