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偉俊 生物 科技 有 限 公 司

Wai Chun Bio-Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 660)

DISCLOSEABLE TRANSACTION

The Board announces that on 27 March 2023 (after trading hours), the Company and Wai Chun Group Holdings Limited (as tenants) entered into the Offer Letter with China Resources Property Management Limited (as agent for the Landlord) for the lease of certain premises in Hong Kong commencing from 30 March 2023 to 29 March 2025 (both dates inclusive). The lease payments under the Offer Letter, the incidental costs for the preparation of the formal tenancy agreement attributable to the tenants shall be equally borne and payable by the Company and Wai Chun Group Holdings Limited. The Group intends to use the premises under the Offer Letter as its new head office and principal place of business in Hong Kong.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the recognition of the right-of-use asset under the Offer Letter exceeds 5% but less than 25%, the transaction contemplated thereunder constituted a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14A.98 of the Listing Rules, the lease payments under the Offer Letter, the incidental costs for the preparation of the formal tenancy agreement attributable to the tenants to be equally borne and payable by the Company and Wai Chun Group Holdings Limited on a cost basis are exempt connected transactions under Chapter 14A of the Listing Rules. The directors of the Company considered that the lease payments under the Offer Letter and the incidental costs for the preparation of the formal tenancy agreement attributable to the tenants are identifiable and are allocated to the parties (as tenants) involved on a fair and equitable basis.

INTRODUCTION

The board of directors (the “**Board**”) of Wai Chun Bio-Technology Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) announces that on 27 March 2023 (after trading hours), the Company and Wai Chun Group Holdings Limited (as tenants) entered into an offer letter (the “**Offer Letter**”) with China Resources Property Management Limited (as agent for Eastern World Development Limited (the “**Landlord**”)) for the lease of certain premises in Hong Kong.

PRINCIPAL TERMS OF THE OFFER LETTER

The principal terms of the Offer Letter are set below:

| | |
|-------------------------|---|
| Date: | 27 March 2023 |
| Agent for the Landlord: | China Resources Property Management Limited |
| Tenants: | The Company and Wai Chun Group Holdings Limited |
| Premises: | Rooms 4001-02, 40th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. |
| Lease term: | Two years commencing on 30 March 2023 and expiring on 29 March 2025 (both dates inclusive) |
| Rent: | HK\$239,568 per month (exclusive of government rates and management fees), to be equally borne by the Company and Wai Chun Group Holdings Limited |
| Rent free period: | One month commencing on 30 March 2023 and expiring on 29 April 2023 (both dates inclusive) |
| Management fees: | HK\$49,476 per month (subject to adjustment from time to time by China Resources Property Management Limited (as agent for the Landlord)), to be equally borne by the Company and Wai Chun Group Holdings Limited |
| Deposit: | a deposit of HK\$867,132 which is equivalent to the sum of three month’s rent and three month’s management fees, to be equally borne by the Company and Wai Chun Group Holdings Limited |

To the best of knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, China Resources Property Management Limited, the Landlord and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

A formal tenancy agreement shall be signed among the Company, Wai Chun Group Holdings Limited and China Resources Property Management Limited.

The incidental costs (including legal costs and stamp duty) for the preparation of the formal tenancy agreement attributable to the tenants shall be equally borne by the Company and Wai Chun Group Holdings Limited.

The Company has obtained prior consent from China Resources Property Management Limited (as agent for the Landlord) for disclosure of information relating to the Offer Letter.

The rent and the management fees for the premises under the Offer Letter were determined after arm's length negotiation with China Resources Property Management Limited (as agent for the Landlord) and by reference to the prevailing market rent and management fees of premises of similar size and area in the nearby locations.

The total lease payments in respect of the rent and the management fees under the Offer Letter is approximately HK\$6.7 million which shall be equally borne by the Company and Wai Chun Group Holdings Limited.

RIGHT-OF-USE ASSET

The unaudited value of the right-of-use asset amounting to approximately HK\$3.2 million is expected to be recognised by the Group under the Offer Letter for the year ending 30 June 2023. The unaudited value of the right-of-use asset represents the initial measurement of the lease liability based on the present value of the total lease payments under the Offer Letter at the inception of the lease term under the Offer Letter in accordance with HKFRS 16 "Leases". Incremental borrowing rate (as set out in HKFRS 16) of the Group is applied to discount the total lease payments for determining the present value of total lease payments under the Offer Letter.

REASONS AND BENEFITS FOR ENTERING INTO THE OFFER LETTER

The Group intends to use the premises under the Offer Letter as its new head office and principal place of business in Hong Kong. Taking into account the size and location of the premises under the Offer Letter, and level of rent and management fees in the prevailing market as compared to the rent and the management fees under the Offer Letter, the Group considered that the premises under the Offer Letter are suitable for its intended use, and the lease payments under the Offer Letter to be borne by the Company on its part are in line with the prevailing market rates and would enable the Group to achieve cost-saving.

The directors of the Company considered that the terms of the Offer Letter are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ABOUT THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in the manufacturing and sale of modified starch and other biochemical products.

INFORMATION ABOUT WAI CHUN GROUP HOLDINGS LIMITED

Wai Chun Group Holdings Limited is an investment holding company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Wai Chun Group Holdings Limited and its subsidiaries are principally engaged in (i) general trading of chemicals and agricultural products; (ii) 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 (iii) investment holdings.

Wai Chun Group Holdings Limited is a 30%-controlled company indirectly held by Wai Chun Investment Fund, which is a substantial shareholder of the Company. Wai Chun Group Holdings Limited is an associate of Wai Chun Investment Fund and is therefore a connected person of the Company.

INFORMATION ABOUT THE COUNTERPARTY

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries and based on the publicly available information, (i) China Resources Property Management Limited is a company incorporated in Hong Kong, is principally engaged in property management, and acts as agent for the Landlord; (ii) the Landlord is a company incorporated in Hong Kong and is principally engaged in property holding; and (iii) each of China Resources Property Management Limited and the Landlord is a member of group of companies held by China Resources (Holdings) Company Limited, a company established in the People’s Republic of China.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) in respect of the recognition of the right-of-use asset under the Offer Letter exceeds 5% but less than 25%, the transaction contemplated thereunder constituted a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14A.98 of the Listing Rules, the lease payments under the Offer Letter, the incidental costs for the preparation of the formal tenancy agreement attributable to the tenants and the non-refundable deposit to be equally borne and payable by the Company and Wai Chun Group Holdings Limited on a cost basis are exempt connected transactions under Chapter 14A of the Listing Rules. The directors of the Company considered that the lease payments under the Offer Letter and the incidental costs for the preparation of the formal tenancy agreement attributable to the tenants are identifiable and are allocated to the parties (as tenants) involved on a fair and equitable basis.

By Order of the Board
Wai Chun Bio-Technology Limited
Lam Ka Chun
Executive Director

Hong Kong, 29 March 2023

As at the date of this announcement, the Board consists of one executive Director, namely Mr. Lam Ka Chun and three independent non-executive Directors, namely Ms. Hong Ting, Mr. Wan Bo and Mr. Hung Hoi Ming Raymond.