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WAI HUNG GROUP HOLDINGS LIMITED

偉鴻集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3321)

(1) TERMINATION OF SUBSCRIPTION AGREEMENT; (2) PROPOSED SALE OF SHARES BY CONTROLLING SHAREHOLDER; AND (3) CONTINUED SUSPENSION OF TRADING

TERMINATION OF SUBSCRIPTION AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of Wai Hung Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 22 September 2023 in relation to, among other things, the Subscription. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby announces that after further negotiation and discussion, the Company and the Subscriber have decided not to proceed with the Subscription. On 8 December 2023 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into a deed of termination (the “**Termination Deed**”), pursuant to which the parties have mutually agreed (i) to terminate the Subscription Agreement with immediate effect; (ii) to release and discharge each other from their respective duties and obligations under the Subscription Agreement; and (iii) that none of the parties thereto shall have any claim for damages or to enforce specific performance against the others in respect of the Subscription Agreement thereafter.

The Board considers that the termination of the Subscription Agreement will not have any material adverse impact on the existing business or financial position of the Group.

PROPOSED SALE OF SHARES BY CONTROLLING SHAREHOLDER

The Company was informed by Mr. Li Kam Hung (“**Mr. Li**”), being the chairman of the Board, the chief executive officer of the Company and an executive Director, that on 8 December 2023 (after trading hours of the Stock Exchange), Copious Astute Limited (“**Copious Astute**”), being the controlling Shareholder and a company wholly-owned by Mr. Li, as vendor, and Daily Charm Inc. (the “**Purchaser**”), being the Subscriber under the Subscription Agreement, as purchaser, entered into a conditional sale and purchase agreement,

pursuant to which Copious Astute has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 98,407,000 Shares, representing approximately 19.50% of the issued share capital of the Company, at a consideration of HK\$20,000,000 (the “**Proposed Share Disposal**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser is directly and wholly-owned by Mr. Chen Guanqi (“**Mr. Chen**”), a PRC citizen, each of whom is an Independent Third Party.

Completion of the Proposed Share Disposal is conditional upon, among others, the Resumption.

As at the date of this announcement, Copious Astute is beneficially interested in 312,500,000 Shares, representing approximately 61.92% of the issued share capital of the Company. Immediately upon completion of the Proposed Share Disposal, Copious Astute will become beneficially interested in 214,093,000 Shares, representing approximately 42.42% of the issued share capital of the Company (assuming no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Proposed Share Disposal), and shall remain as the controlling Shareholder.

The following table sets out the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Proposed Share Disposal (assuming no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Proposed Share Disposal):

| Shareholders | As at the date of this announcement | | Immediately after the completion of the Proposed Share Disposal (assuming no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Proposed Share Disposal) | |
|--|--|------------------------------|--|------------------------------|
| | Number of Shares | Approx. % of shareholding | Number of Shares | Approx. % of shareholding |
| <i>Controlling Shareholder</i> | | | | |
| Copious Astute/Other Shareholders (Notes 1 and 2) | 312,500,000 | 61.92 | 214,093,000 | 42.42 |
| The Purchaser (Note 3) | – | – | 98,407,000 | 19.50 |
| Public Shareholders | 192,150,000 | 38.08 | 192,150,000 | 38.08 |
| Total | 504,650,000 | 100.00 | 504,650,000 | 100.00 |

Notes:

1. Copious Astute, being a company incorporated in the British Virgin Islands with limited liability, is wholly-owned by Mr. Li, being the chairman of the Board, the chief executive officer of the Company and an executive Director. As such, Mr. Li is deemed, or taken to be, interested in the 312,500,000 Shares held by Copious Astute by virtue of the SFO.
2. Ms. Ng Suk Fan, being the spouse of Mr. Li, is deemed, or taken to be, interested in the Shares in which Mr. Li is interested by virtue of the SFO.
3. The Purchaser, being a company incorporated in the British Virgin Islands with limited liability, is directly wholly-owned by Mr. Chen. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Subscriber and Mr. Chen is an Independent Third Party.
4. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Further, on 8 December 2023, Copious Astute and the Company entered into a loan agreement (the “**Loan Agreement**”), pursuant to which Copious Astute conditionally agreed to provide to the Company an unsecured and interest-free revolving loan facility (the “**Loan**”) of up to HK\$20,000,000 for the repayment of certain outstanding bank loans and for general working capital purpose.

As at the date of this announcement, Copious Astute beneficially owns approximately 61.92% of the issued share capital of the Company. It is therefore a connected person of the Company, and the transactions contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the Loan is on normal commercial terms or better and not secured by the assets of the Group, the Loan is fully exempt from Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

CONTINUED SUSPENSION IN TRADING

Trading in the Shares has been suspended with effect from 9:00 a.m. on 11 May 2022 and will remain suspended pending the fulfilment of all the resumption conditions stated in the Resumption Guidance.

In the meantime, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Wai Hung Group Holdings Limited
Mr. Li Kam Hung
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 8 December 2023

As at the date of this announcement, the Board comprises Mr. Li Kam Hung, Mr. Yu Ming Ho and Mr. Yau Yan Ming Raymond as executive Directors; Mr. Li Chun Ho as non-executive Director; and Ms. Rita Botelho dos Santos, Mr. Wu Chou Kit and Mr. Lam Chi Wing as independent non-executive Directors.