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智富資源投資控股集團有限公司

WISDOM WEALTH RESOURCES INVESTMENT HOLDING GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 23 January 2024 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Notes in an aggregate principal amount of HK\$39,000,000. The outstanding principal amount of the Convertible Notes are convertible into Conversion Shares at the Conversion Price of HK\$0.10 per Conversion Share (subject to adjustments) during the Conversion Period.

Assuming full conversion of the Convertible Notes at the initial Conversion Price, a total of 390,000,000 Conversion Shares will be allotted and issued, which represent approximately 12.34% of the total number of Shares in issue as at the date of this announcement and approximately 10.99% of the total number of Shares in issue and as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes, assuming that there will be no changes in the issued share capital of the Company between the date of this announcement and the date of issue of the Conversion Shares upon full conversion of the Convertible Notes.

The initial Conversion Price of HK\$0.10 per Conversion Share represents: (i) a premium of approximately 117.4% over the closing price of HK\$0.0460 per Share as quoted on the Stock Exchange on 23 January 2024, being the date of the Subscription Agreement; (ii) a premium of approximately 59.2% over the average closing price of HK\$0.0628 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and (iii) a discount of approximately 92.1% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023 of approximately HK\$1.259 per Share, calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$3,977,342,000 as at 30 June 2023 as set out in the interim report of the Company for the six months ended 30 June 2023 and 3,160,140,697 Shares in issue as at the date of this announcement.

The gross proceeds from the issue of the Convertible Notes will be HK\$39,000,000 and the net proceeds from the issue of the Convertible Notes, after deduction of the expenses related to the issue of the Convertible Notes of approximately HK\$300,000, is estimated to be approximately HK\$38,700,000, which is intended to be used wholly for the repayment of liabilities of the Group.

The Conversion Shares will be issued under the General Mandate and is not subject to the Shareholders' approval. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange.

As the completion of the Subscription Agreement is subject to the satisfaction of condition which may or may not become effective, and therefore the issue of the Convertible Notes may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisors.

On 23 January 2024 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Notes in an aggregate principal amount of HK\$39,000,000. The outstanding principal amount of the Convertible Notes are convertible into Conversion Shares at the Conversion Price of HK\$0.10 per Conversion Share during the Conversion Period. Details of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date

23 January 2024

Parties to the Subscription Agreement

Issuer: the Company

Subscriber: 高州市龍苑新天地房地產開發有限公司(Gaozhou City Longyuan Xintiandi Real Estate Development Company Limited*), a limited company principally engaged in property development.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and Mr. Yang Bo* (楊波), being its ultimate beneficial owner, are third parties independent of the Company and the connected persons of the Company.

Subscription price

The Subscriber conditionally agreed to subscribe for the Convertible Notes in an aggregate principal amount of HK\$39,000,000, which shall be payable in cash to the Company within five days from the date of the Subscription Agreement.

* *for identification purpose only*

Condition precedent

Completion of the Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares.

Completion of the Subscription Agreement shall take place on the day on which the condition precedent to the Subscription Agreement is fulfilled.

Principal Terms of the Convertible Notes

Issuer: the Company

Principal amount: HK\$39,000,000

Interest rate: HSBC's Hong Kong Dollar Best Lending Rate

As at the date of this announcement, the HSBC's Hong Kong Dollar Best Lending Rate is 5.875% per annum

Maturity date: the date falling on the first anniversary of the date of issue of the Convertibles Notes

Conversion rights: the Noteholder(s) shall have the right to convert on any business day during the conversion period the whole or any part(s) of the outstanding principal amount of the Convertible Notes into Conversion Shares at the Conversion Price (subject to adjustments)

Conversion period: the period commencing from the issue date of the Convertible Notes and ending on the maturity date of the Convertible Notes (both dates inclusive)

Conversion Price: The initial Conversion Price is HK\$0.10 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Notes.

The initial Conversion Price represents:

- (i) a premium of approximately 117.4% over the closing price of HK\$0.0460 per Share as quoted on the Stock Exchange on 23 January 2024, being the date of the Subscription Agreement;
- (ii) a premium of approximately 59.2% over the average closing price of HK\$0.0628 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 92.1% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023 of approximately HK\$1.259 per Share, calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$3,977,342,000 as at 30 June 2023 as set out in the interim report of the Company for the six months ended 30 June 2023 and 3,160,140,697 Shares in issue as at the date of this announcement.

The net issue price to the Company of each Conversion Share is estimated to be approximately HK\$0.099, calculated based on the estimated net proceeds of approximately HK\$38,700,000 and 390,000,000 Conversion Shares to be issued upon full conversion of the Convertible Notes.

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber, taking into account the business development and future prospect of the Group and the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023. The Directors consider that the initial Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conversion Shares:

Assuming full conversion of the Convertible Notes at the initial Conversion Price, a total of 390,000,000 Conversion Shares will be allotted and issued, which represent approximately 12.34% of the total number of Shares in issue as at the date of this announcement and approximately 10.99% of the total number of Shares in issue and as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes, assuming that there will be no changes in the issued share capital of the Company between the date of this announcement and the date of issue of the Conversion Shares upon full conversion of the Convertible Notes. The Conversion Shares have an aggregate nominal value of HK\$78,000,000 and a market value of HK\$23,790,000, based on the closing price of HK\$0.061 per Share on the Last Trading Day.

The Conversion Shares will be issued under the General Mandate. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

The Conversion Shares shall rank pari passu in all respects with all other issued Shares as at the date of allotment of such Conversion Shares and be entitled to all dividends and other distributions, the record date of which falls on a date on or after the date of allotment of such Conversion Shares.

Adjustments to the
Conversion Price:

The Conversion Price of the Convertible Notes shall from time to time be adjusted in accordance with the following provisions:

- (a) If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:–

A = the revised nominal amount; and

B = the former nominal amount.

- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{C + D}$$

where:

C = the aggregate nominal amount of the issued Shares immediately before such issue; and

D = the aggregate nominal amount of the Shares issued in such capitalization.

- (c) If and whenever the Company shall make any capital distribution (except where, and to the extent that, the Conversion Price falls to be adjusted under paragraph (b) above) to the holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{E - F}{E}$$

where:

E = the market price (as defined in the instrument) on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) next preceding the date of the capital distribution or, as the case may be, of the grant; and

F = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by the auditors of the Company for the time being or an approved merchant bank of the portion of the capital distribution or of such rights which is attributable to one Share.

- (d) If and whenever the Company shall offer to the holders of Shares new Shares for subscription by way of rights, or shall grant to the holders of Shares any options, warrants or other rights to subscribe for or purchase any Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{G + \frac{H \times I}{J}}{G + H}$$

where:

G = the number of Shares in issue immediately before the date of such announcement;

H = the aggregate number of Shares so offered for subscription or so granted for subscription or purchase;

I = the amount (if any) payable for the rights, options or warrants or other rights to subscribe for or purchase each new Share, plus the subscription or purchase price payable for each new Share; and

J = the market price (as defined in the instrument) per Share on the trading day immediately prior to such announcement.

- (e) (i) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration (as defined in the instrument) per Share initially receivable for such securities is less than the market price (as defined in the instrument) per Share as at the date of the announcement of the terms of issue of such securities (for the purposes of this section (i), the “Applicable Price”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total effective consideration receivable for the securities issued would purchase at the Applicable Price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities, at the initial conversion or exchange rate or subscription price.

(ii) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (i) of this sub-paragraph (e) are modified so that the total effective consideration (as defined in the instrument) per Share initially receivable for such securities shall be less than the market price (as defined in the instrument) per Share as at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription (for the purposes of this section (ii), the “Applicable Price”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange rate or subscription price would purchase at the Applicable Price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price, such adjustment shall take effect as at the date upon which such modification takes effect. A right of conversion, exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalization issues and other events normally giving rise to adjustment of conversion or exchange terms.

- (f) If and whenever the Company shall issue wholly for cash any Shares (other than Shares issued pursuant to an employee share option scheme of the Company) at a price per Share which is less than the market price (as defined in the instrument) per Share as at the date of the announcement of the terms of such issue (for the purposes of this sub-paragraph (f), the “Applicable Price”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at the Applicable Price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued.
- (g) If and whenever the Company shall issue Shares for the acquisition of assets at a total effective consideration per Share (as defined in the instrument) which is less than the market price (as defined in the instrument) per Share as at the date of the announcement of the terms of such issue (for the purposes of this sub-paragraph (g), the “Applicable Price”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{K + L}{K + M}$$

where:

K = the number of Shares in issue immediately before the date of such announcement;

L = the number of Shares which the total effective consideration would purchase at the Applicable Price; and

M = the number of Shares so issued.

Transferability: The Convertible Notes or any part(s) thereof may be assigned or transferred to any person at the discretion of the Noteholder(s), save for any company or any person which is a connected person of the Company or an associate of such connected person unless the necessary approvals from the independent Shareholders as may be required under the Listing Rules have been obtained.

Voting: The Noteholder(s) shall not be entitled to receive notice of, attend or vote at any meetings of the Company by reason only of them being the Noteholder(s).

Listing: No applications shall be made for the listing of the Convertible Notes on the Stock Exchange or in any other jurisdiction.

GENERAL MANDATE

The Conversion Shares will be issued under the General Mandate approved on 21 June 2023 and is not subject to the Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 632,028,139 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting of the Company held on 21 June 2023.

Assuming full conversion of the Convertible Notes, the Conversion Shares will utilize a maximum of, based on the initial Conversion Price, 390,000,000 Shares under the General Mandate.

After completion of the issue and allotment of the Conversion Shares upon full conversion of the Convertible Notes (based on the initial Conversion Price), the remaining balance of the General Mandate will be 242,028,139 Shares.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

REASONS FOR THE ISSUE OF CONVERTIBLE NOTES AND THE USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of electronic products and equipment, mineral mining, oil and gas exploration and production, provision of financial services and property development and investment.

The Group intends to raise additional funding for repayment of liabilities and general working capital to improve its financial position and to support the future development of the Group. The Directors consider that the issue of Conversion Shares upon conversion of the Convertible Notes will also broaden the capital base and Shareholder base of the Company. Accordingly, the Directors consider that the issue of the Convertible Notes is in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the issue of the Convertible Notes will be HK\$39,000,000 and the net proceeds from the issue of the Convertible Notes, after deduction of the expenses related thereto of approximately HK\$300,000, is estimated to be approximately HK\$38,700,000, which is intended to be used as for repayment of liabilities of the Group.

The Directors consider the terms of the Subscription Agreement, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties thereto, are fair and reasonable, and the issue of the Convertible Notes is in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon full conversion of the Convertible Notes at the initial Conversion Price, assuming there are no changes in the issued share capital of the Company from the date of this announcement and up to the date of the full conversion of the Convertible Notes, for illustration purposes only:

Name of Shareholders	As at the date of this announcement		Immediately upon full conversion of the Convertible Notes	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Dr. Hui (<i>Note</i>)	2,280,480,555	72.16	2,280,480,555	64.24
The Subscriber	–	–	390,000,000	10.99
Public Shareholders	<u>879,660,142</u>	<u>27.84</u>	<u>879,660,142</u>	<u>24.77</u>
Total	<u><u>3,160,140,697</u></u>	<u><u>100.00</u></u>	<u><u>3,550,140,697</u></u>	<u><u>100.00</u></u>

Note: These Shares included 34,583,000 Shares held by Dr. Hui, 1,004,188,057 Shares held by Hong Kong Finance Equity Holding Limited, 426,203,642 Shares held by Hong Kong Finance Equity Investment Limited, 606,584,356 Shares held by Hong Kong Finance Equity Management Limited, 477,000 Shares held by Wisdom On Holdings Limited and 208,444,500 Shares held by Hong Kong Finance Investment Limited respectively. The issued share capital of Hong Kong Finance Investment Limited are directly wholly-owned by Dr. Hui. The issued share capital of Hong Kong Finance Equity Holding Limited, Hong Kong Finance Equity Investment Limited, Hong Kong Finance Equity Management Limited and Wisdom On Holdings Limited are indirectly wholly-owned by Dr. Hui.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is the fund-raising activities conducted by the Company during the past twelve months immediately prior to the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of announcement
23 February 2023	Subscription of new shares under general mandate	HK\$14,582,000	General working capital of the Group	HK\$14,582,000 was used as general working capital of the Group
9 March 2023	Issue of convertible notes under general mandate	HK\$99,700,000	Approximately HK\$50,000,000 for repayment of liabilities while the remaining balance of approximately HK\$49,700,000 for general working capital of the Group	Approximately HK\$50,000,000 for repayment of liabilities while the remaining balance of approximately HK\$49,700,000 for general working capital of the Group

Save as the abovementioned, the Company has not conducted any other fundraising exercise in the past twelve months immediately preceding the date of this announcement.

As the completion of the Subscription Agreement is subject to the satisfaction of condition which may or may not become effective, and therefore the issue of the Convertible Notes may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisors.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“associate(s)” has the meaning ascribed to it under the Listing Rules

“Board” the board of Directors

“Company”	Wisdom Wealth Resources Investment Holding Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Period”	the period commencing from the issue date of the Convertible Notes and ending on the maturity date of the Convertible Notes (both dates inclusive), during which the Noteholder(s) can exercise its/his/her/their conversion rights to convert the outstanding principal of the Convertible Notes into Conversion Shares
“Conversion Price”	HK\$0.10 per Conversion Share, subject to adjustments pursuant to the terms and conditions of the Convertible Notes
“Conversion Share(s)”	new shares to be allotted and issued by the Company upon the exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	the convertible notes to be issued by the Company to the Subscriber in accordance with the Subscription Agreement
“Director(s)”	Director(s) of the Company
“Dr. Hui”	Dr. Hui Chi Ming, <i>G.B.S., J.P.</i> , Chairman of the Board, an executive Director and controlling Shareholder
“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 21 June 2023, under which up to 632,028,139 Shares (being up to 20% of the total issued share capital of the Company as at the date of the passing of the relevant resolution, which was 21 June 2023) can be allotted and issued by the Directors

“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
“Last Trading Day”	22 January 2024, being the last trading day prior to the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholder(s)”	holder(s) of the Convertible Note(s)
“Share(s)”	ordinary share(s) of HK\$0.2 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	高州市龍苑新天地房地產開發有限公司(Gaozhou City Longyuan Xintiandi Real Estate Development Company Limited*), a third party independent of the Company and the connected persons of the Company

* *for identification purpose only*

“Subscription Agreement” the subscription agreement dated 23 January 2024 entered into between the Company and the Subscriber in relation to the issue of Convertible Notes

“%” per cent

By order of the Board
Wisdom Wealth Resources Investment Holding Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 23 January 2024

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the senior consultants of the Company comprise Dr. Wang Tao, Mr. Fu Chenyu and Mr. Lalaharisaina Joelivalerien; the Board comprises five executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Mr. Cao Yu, Mr. Xu Jun Jia and Mr. Lam Kwok Hing, M.H., J.P.; and four independent non-executive Directors, namely, Mr. Ngan Kam Biu, Stanford, Mr. Tam Chak Chi, Mr. Ma Kin Ling and Mr. Yiu King Ming.