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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)**

## **SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

### **THE SUBSCRIPTION**

On 26 November 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 464,539,191 Subscription Shares at the Subscription Price of HK\$0.095 per Subscription Share upon the Share Consolidation of the Company becoming effective on 27 November, 2020.

The Subscription Shares represent (i) approximately 28% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 21.88% of the issued share capital of the Company as enlarged by the proposed allotment and issue of the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company between the date of this announcement and the Completion). The Subscription is subject to various conditions set out below under the paragraph headed “Conditions Precedent” in this announcement.

The Subscription Price of HK\$0.0095 represents: (i) a discount of approximately 5% to the closing price of HK\$0.01 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 5% to the average closing price of approximately HK\$0.01 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Directors consider that the Subscription represents an opportunity to raise additional funding for the Group's business operation. The Subscription will also strengthen the capital base and financial position for the Group's future business developments. The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$44,131,223 and HK\$43,931,223 respectively. The Company intends to use the net proceeds for general working capital of the Group and for the future development of the Group's business.

## **GENERAL**

The Subscription is subject to the Shareholders' approval. The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**As the Completion is subject to the fulfillment of the conditions under the Subscription Agreements as set out in the section headed "Conditions Precedent", Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

The EGM will be held for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares. To the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting at the EGM in respect of the resolution relating to the Subscription and the Specific Mandate.

A circular containing, among other things, (i) further details of the Subscription, including the Specific Mandate, and (ii) a notice of the EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **SUBSCRIPTION AGREEMENT**

On 26 November 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, the principal terms of which are set out as follows:

Date: 26 November 2020 (after trading hours)  
Parties: (i) the Company, as issuer  
(ii) the Subscriber, as subscriber

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

### **Subscription Shares**

Pursuant to the terms of the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 464,539,191 Subscription Shares, representing:

- (i) approximately 28% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 21.88% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no other changes in the issued share capital of the Company between the date of this announcement and the Completion).

Immediately upon Completion, the Subscriber will become a substantial shareholder of the Company.

### **Subscription Price**

According to the Subscription Agreement, the determination of the Subscription Price shall be based on a 5% discount over the average closing price quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Date of Subscription Agreement.

According to the Subscription Agreement, the Subscription Price of HK\$0.0095 represents:

- (i) a discount of approximately 5% to the closing price of HK\$0.01 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 5% to the average closing price of approximately HK\$0.01 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.
- (iii) a discount of approximately 5% to the average closing price of approximately HK\$0.01 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement.

The aggregate nominal value of the Subscription Shares is HK\$44,131,223.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market conditions and the recent price performance and liquidity of the Shares. The Board considers that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price will be payable by the Subscriber in cash at Completion.

### **Ranking of Subscription Shares**

The Subscription Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Conditions Precedent**

Completion is subject to the fulfilment or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

- (i) the Shareholders duly passing the resolutions approving, inter alia, the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares, at the EGM;
- (ii) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of this Agreement and the transactions contemplated thereunder having been obtained;
- (iii) the Listing Committee having granted or conditionally granted the listing of, and the permission to deal in, the Subscription Shares and such listing and permission having not been revoked (before the Completion); and
- (iv) the warranties and representations of the Subscriber contained in the Subscription Agreement remaining true, accurate, and not misleading in all material respects at any time between the date of the Subscription Agreement and the date of Completion (both dates inclusive).

The Company may by notice in writing to the Subscriber waive the condition set out in paragraph (iv) above in respect of the warranties and obligations of the Subscriber. Save for condition (iv), the above conditions are incapable of being waived.

In the event that any of the above conditions is not fulfilled or waived (as the case may be) on or before the Long Stop Date, all rights and obligations under the Subscription Agreement shall cease and terminate immediately and none of the parties thereto shall have any claim against the other, save for any antecedent breach thereof.

## **COMPLETION OF THE SUBSCRIPTION**

Completion will take place on the third Business Day after all the conditions precedent of the Subscription Agreement have been fulfilled or waived (as the case may be) or such other date as agreed between the parties.

## **SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The issue of the Subscription Shares is subject to the Shareholders' approval. The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Company has been looking for opportunities to improve its financial capabilities. The Directors consider that the Subscription of Shares represents a valuable opportunity to improve the financial position of the Group as a whole.

The Directors consider that the terms of the Subscription Agreement (including the Subscription Price) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$44,131,223 and HK\$43,931,223 respectively. The Company intends to use the net proceeds for general working capital of the Group and for the future development of the Group's business.

The net price of each Subscription Share is approximately HK\$0.0946.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

The Company has conducted the following fund-raising activities in the past 12 months before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activities</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
27 November 2020	Issue of convertible bonds of HK\$67,000,000 at the conversion price of HK\$0.12 per conversion share (subject to adjustment) under specific mandate	Approximately HK\$67,000,000	For settlement of debt due to the holder of the convertible bonds	For settlement of debt due to the holder of the convertible bonds

Saved as disclosed above, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

### **EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The following table illustrates the shareholding structure of the Company upon the Share Consolidation becoming effective on 27 November 2020, in each case assuming that no new Shares are issued or repurchased during the relevant period: (i) as at the date of this announcement; and (ii) immediately after completion of the Subscription:

<b>Name of Shareholder</b>	<b>As at the date of this announcement</b>		<b>Immediately after completion of the Subscription <sup>(note 3)</sup></b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Chinese Success Limited <sup>(note 1)</sup>	789,806,432	47.61	789,806,432	37.19
Lam Ching Kui <sup>(note 2)</sup>	28,004,000	1.69	28,004,000	1.32
	817,810,432	49.29	817,810,432	38.51
Subscriber	-	-	464,539,191	21.88
Public Shareholders <sup>(note 4)</sup>	841,258,105	50.71	841,258,105	39.61
<b>Total</b>	<b>1,659,068,537</b>	<b>100.00</b>	<b>2,123,607,728</b>	<b>100.00</b>

*Notes:*

- (1) Chinese Success Limited, a company owned as to 100% by Wai Chun Investment Fund, which is wholly-owned by Mr. Lam Ching Kui, an executive Director, Chinese Success Limited holds 789,806,432 Shares and 21,696,000 convertible preference shares.
- (2) Mr. Lam Ching Kui, the Chairman and executive Director of the Company, directly holds 28,004,000 Shares.
- (3) Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (4) Pursuant to the terms and conditions of the convertible bonds issued on 27 November, 2020, the holder of the convertible bonds shall not exercise the conversion rights attaching to the convertible bonds if, as a result of such exercise, it will cause the public float of the Company to fall below the percentage prescribed under the Listing Rules.

## **INFORMATION ON THE SUBSCRIBER**

The Subscriber is an individual investor who is experienced in investments and the finance industry. As at the date of this announcement, the Subscriber does not hold any shares of the Company.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the manufacturing and sales of modified starch and other co-related bio-chemical products and general trading of electronic parts and components and electrical appliances. Through physical and chemical and biological methods, by changing the structure of starch granules, ordinary starch becomes modified starch. The main use value of modified starch is that it can improve the taste of the product, improving the organizational state of the product, enhancing the processing performance of the product, strengthening the tolerance of the product. As one of the important raw materials, modified starch can be widely used in food, medicine, paper making, and other industries. It is also used as thickener, gelling agent, binder, emulsifier, and stabilizer in food industry. It can replace expensive raw materials, reduce food manufacturing costs, improve food quality, and improve economic benefits.

## **LISTING RULES IMPLICATIONS**

As the Subscription Shares will be allotted and issued under the Specific Mandate to be obtained at the EGM, the Subscription is subject to the Shareholders' approval. The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, (i) the grant of the Specific Mandate; and (ii) the Subscription Agreement and the transactions contemplated thereunder. To the best knowledge of the Directors, no Shareholder will be required to abstain from voting on the resolution(s) approving the aforesaid matters. A circular containing, among other things, (i) further details of the Subscription; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **GENERAL**

An application will be made by the Company for the listing of, and permission to deal in, the Subscription Shares.

As completion under the Subscription Agreement is subject to the fulfilment and/or waiver of certain conditions precedent set forth therein, the issue of the Subscription Shares may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares. If in doubt, Shareholders and potential investors are recommended to consult their professional adviser(s).

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Wai Chun Bio-Technology Limited ( 瑋俊生物科技有限公司 ), an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)



“Long Stop Date”	31 January 2021, or any other date as the Company and the Subscriber may agree in writing
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company upon the Share Consolidation of the Company being become effective on 27 November, 2020.
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Specific Mandate”	a specific mandate to allot and issue the Subscription Shares to be sought from the Shareholders at the EGM
“Subscriber”	Mr. Zhu Guiping (朱桂平先生)
“Subscription”	the subscription by the Subscriber for the Subscription Shares pursuant to and in accordance with the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 26 November 2020 entered into between the Company and the Subscriber
“Subscription Price”	HK\$0.0095 per share or, upon the Share Consolidation of the Company becoming effective on 27 November, 2020, HKD0.095 per Share.
“Subscription Shares”	464,539,191 new shares to be subscribed for by the Subscriber and to be issued and allotted by the Company pursuant to and in accordance with the terms and conditions of the Subscription Agreement upon the Share Consolidation of the Company becoming effective on 27 November 2020
“%”	per cent.

By order of the Board  
**Wai Chun Bio-Technology Limited**  
**LAM Ching Kui**  
*Chairman and Chief Executive Officer*

Hong Kong, 27 November, 2020

*As at the date of this announcement, the Board consists of one executive Director, namely Mr. Lam Ching Kui (Chairman and Chief Executive Officer) and three independent non-executive Directors, namely Mr. Chan Cheuk Ho, Mr. Wan Bo and Mr. Hau Pak Man.*