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New Wisdom Holding Company Limited **新智控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8213)

EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND

SECOND SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND

The Board announces that on 15 August 2018, the Company entered into the Second Supplemental Deed with the Bondholder pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the sixth anniversary of the date of issue of the Convertible Bond, being 15 August 2018, to 15 August 2021, subject to the conditions precedent contained in the Second Supplemental Deed being satisfied.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Second Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

BACKGROUND

Reference is made to the Company's announcements dated 28 June 2012, 8 July 2015 and 10 July 2015 and the circulars of the Company dated 30 July 2012 and 25 July 2015 in relation to, among other things, the issue of the Convertible Bond and the extension of the maturity date of the Convertible Bond.

As disclosed in the circular of the Company dated 30 July 2012, the Convertible Bond was to be issued to Strong Venture Limited, a company wholly-owned by the Bondholder, in the principal amount of HK\$80,000,000 as payment for the consideration under the sale and purchase agreement dated 25 June 2012 entered into between Strong Venture Limited as the vendor and Theola Limited as the purchaser (an indirect wholly-owned subsidiary of the Company) in relation to the entire issued share capital of Mark Limited and the relevant shareholder's loan. The Convertible Bond was issued to Strong Venture Limited on 15 August 2012.

As disclosed in the circular of the Company dated 25 July 2015, all the Convertible Bond would be mature on 15 August 2015 pursuant to the original terms and conditions of the Convertible Bond and on 8 July 2015, the Company entered into the first supplemental deed with Strong Venture Limited, pursuant to which the Company and Strong Venture Limited agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the third anniversary to the sixth anniversary of the date of issue of the Convertible Bond, subject to the conditions precedent contained in the first supplemental deed being satisfied.

As at the date of this announcement, Strong Venture Limited had transferred to the Bondholder all the Convertible Bond and the outstanding principal amount of the Convertible Bond was HK\$40,000,000. All outstanding principal amount under the Convertible Bond will be mature on 15 August 2018 pursuant to the terms and conditions of the Convertible Bond.

SECOND SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND

On 15 August 2018, the Company entered into the Second Supplemental Deed with the Bondholder, pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the sixth anniversary to the ninth anniversary of the date of issue of the Convertible Bond. Pursuant to the Second Supplemental Deed, the Amendment of Terms is conditional upon the satisfaction of the following conditions:

1. The Stock Exchange having approved the Amendment of Terms in accordance with the GEM Listing Rules and the Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled; and

2. All necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Amendment of Terms having been obtained.

The Conversion Period under the Convertible Bond, which is between the date immediately following the issue of the Convertible Bond and the maturity date (both dates inclusive), will be extended accordingly.

PRINCIPAL TERMS OF THE CONVERTIBLE BOND AS AMENDED BY THE SECOND SUPPLEMENTAL DEED

Save and except the amendment to the maturity date pursuant to the Second Supplemental Deed, all the terms and conditions in the Convertible Bond remain unchanged, valid and in full force.

The principal terms of the Convertible Bond as amended pursuant to the Second Supplemental Deed are summarised as follows:

Total principal amount	:	HK\$40,000,000
Issue price	:	At the full face value of the Convertible Bond
Redemption	:	Unless previously converted, the Company shall repay the Convertible Bond in full with all interest accrued thereon up to and including the maturity date
Conversion Price	:	as adjusted on 22 May 2017, HK\$0.07 per Conversion Share as disclosed in the announcement of the Company dated 13 June 2017, subject to adjustments for, among other things, customary anti-dilution provisions summarised below
Conversion Period	:	the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)

Anti-dilution adjustments : The Conversion Price shall from time to time be adjusted upon the occurrence of certain events including but not limited to the following:–

- (i) consolidation, sub-division or reclassification of the Shares;
- (ii) capitalisation of profits or reserves;
- (iii) capital distribution of Shares; and
- (iv) the Company's issue for cash any Shares or other securities which are convertible into new Shares, and the consideration per Share initially receivable for such securities is less than 92% of the market price as at the date of the announcement of the terms of issue of such securities. For the purpose of this provision, "market price" means the average of the closing price per Share for each of the last ten Stock Exchange trading days on which dealings in the Shares on the Stock Exchange took place ending on such trading day last preceding the day on or as of which the market price is to be ascertained.

Every adjustment to the Conversion Price shall be certified by the Company's auditors or a merchant bank of repute in Hong Kong selected and appointed jointly by the Company and the Convertible Bondholder. Whenever the Conversion Price is adjusted, the Company shall as soon as possible but not later than three (3) Business Days after the relevant adjustment has been determined give notice to the Convertible Bondholder setting out the details of the adjustment to the Conversion Price.

The anti-dilution adjustment provisions contained in the Convertible Bond are all customary in nature. The mechanism for the anti-dilution adjustment provisions in the Convertible Bond was negotiated by the parties on an arm's length basis with reference to the initial Conversion Price and the anti-dilution adjustment provisions commonly found in transactions involving issue of convertible bonds.

- Maturity date : 15 August 2021
- Interest rate : 2% per annum, payable at the end of each March, June, September and December commencing on the date of issue of the Convertible Bond on the principal amount of the Convertible Bond outstanding from time to time
- If the Company does not pay any sum payable under the Convertible Bond when due, it shall pay interest on the amount from time to time outstanding in respect of that overdue sum at the rate of eight (8) per cent. per annum for the period beginning on its due date and ending on the date of actual payment
- Transferability : The Convertible Bond is freely transferable (whether in whole or in part) provided that: (i) it may not, without the prior written consent of the Company, be transferred to any person who is at the time of such transfer a connected person of the Company; and (ii) the principal amount to be transferred is at least HK\$1,000,000 and in integral multiples of HK\$1,000,000
- Conversion : Subject to compliance with the GEM Listing Rules and the Takeovers Code, the Convertible Bondholder will have the right during the Conversion Period, to convert the whole or part of such principal amount of the Convertible Bond into the Conversion Shares at the Conversion Price PROVIDED THAT any such conversion shall not result in the shareholding of the Company held by the public being less than the then minimum public float requirement as stipulated by the GEM Listing Rules at the time of such conversion
- Conversion Shares : Upon full conversion of the Convertible Bond and assuming no further adjustment to the Conversion Price of HK\$0.07 per Conversion Share and there is no further issue of the Shares (other than the Conversion Shares), a total number of 571,428,571 Conversion Shares will be issued upon conversion, representing approximately 13.72% of the number of Shares in issue and approximately 12.06% of the number of Shares in issue as enlarged by the issue of the Conversion Shares

- Ranking of the Conversion Shares : The Conversion Shares will rank *pari passu* in all respects among themselves and with other Shares in issue on the date of allotment and issue of such Conversion Shares
- Early repayment : The Company may upon mutual agreement with the Convertible Bondholder request for early repayment of all or part of the outstanding sums under the Convertible Bond on terms as may be mutually agreed between the Company and the Convertible Bondholder
- Voting : Holder of the Convertible Bond will not be entitled to attend or vote at any meetings of the Company by reason only of its being a bondholder

No application will be made for the listing of, or permission to deal in the Convertible Bond on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Conversion Shares that may be issued upon the conversion of the Convertible Bond.

Please refer to the circulars of the Company dated 30 July 2012 and 25 July 2015 for further details of the Convertible Bond.

REASON FOR AND BENEFIT OF THE EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND

The Convertible Bond would be mature on 15 August 2018 under its terms unless further extended. The extension of the maturity date of the Convertible Bond would allow the Company to finance the debts under the Convertible Bond under the same terms for further 36 months. The Board is of the view that the extension of the maturity date will enhance the sufficiency of working capital of the Group.

The Amendment of Terms is arrived at after arm's length negotiation between the Company and the Bondholder. The Board (including the independent non-executive Directors) considers that the terms and conditions of the Second Supplemental Deed are fair and reasonable, and the Amendment of Terms is in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the Amendment of Terms will not pose any significant impact on the operations of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bond at the Conversion Price (assuming that there are no other changes to the issued share capital of the Company from the date of this announcement and prior to the full conversion of the Convertible Bond):

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bond at the Conversion Price (assuming that there are no other changes to the issued share capital of the Company from the date of this announcement and prior to the full conversion of the Convertible Bond)	
	<i>Number of Shares</i>	<i>approximate %</i>	<i>Number of Shares</i>	<i>approximate %</i>
Oceanic Fortress Holdings Limited Bondholder	2,172,417,439	52.14	2,172,417,439	45.86
Public Shareholder	–	–	571,428,571	12.06
	<u>1,993,757,561</u>	<u>47.86</u>	<u>1,993,757,561</u>	<u>42.08</u>
Total	<u>4,166,175,000</u>	<u>100</u>	<u>4,737,603,571</u>	<u>100</u>

IMPLICATIONS UNDER THE GEM LISTING RULES

Upon exercise of the conversion rights attaching to the Convertible Bond, 571,428,571 Conversion Shares will be allotted and issued to the Bondholder. A general mandate was granted to the Directors by Shareholders at the annual general meeting of the Company held on 22 September 2017 to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting (the “General Mandate”). The General Mandate has not been previously utilised prior to the date of this announcement and therefore all the Conversion Shares would be allot and issued pursuant to the General Mandate subject to the listing approval of the Stock Exchange.

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Second Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

IMPLICATIONS UNDER RULE 4 OF TAKEOVERS CODE

As disclosed in the Joint Announcement, on 23 April 2018, the Offeror entered into a sale and purchase agreement with the Vendor and the Vendor Guarantor, pursuant to which the Offeror conditionally agreed to purchase, and the Vendor conditionally agreed to sell an aggregate of 2,172,417,439 Shares, representing approximately 52.14% of the entire issued share capital of the Company at the date of the Joint Announcement, for a total consideration of HK\$100,000,000 (equivalent to approximately HK\$0.04603 per Share) in cash.

Immediately following completion and as at the date of the Joint Announcement, the Offeror and the parties acting in concert with it are interested in an aggregate of 2,172,417,439 Shares, representing approximately 52.14% of the entire issued share capital of the Company at the date of the Joint Announcement. The Offeror is required to make the Share Offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. Pursuant to Rule 13 of the Takeovers Code, the Offeror is also required to make a mandatory unconditional cash offer for all the Convertible Bond in the outstanding principal amount of HK\$40,000,000 convertible into 571,428,571 Shares at an adjusted conversion price of HK\$0.07. On 23 April 2018, the Bondholder holding 100% of the Convertible Bond executed the Irrevocable Undertaking in favour of the Offeror, the details of which were disclosed in the Joint Announcement. Accordingly, no offer will be made for the Convertible Bond under Rule 13 of the Takeovers Code.

Pursuant to Rule 4 of the Takeovers Code, the entering into of the Second Supplemental Deed may constitute a frustrating action and hence, may be subject to the approval of the Shareholders in general meeting. The Offeror has consented in writing to the entering into of the Second Supplemental Deed and the Company has applied to the Executive for a ruling that the entering into of the Second Supplemental Deed will not constitute a frustrating action and if the Executive is of the view that such constitutes a frustrating action, a waiver from the Executive from the requirement for the Company to obtain the Shareholders' approval for the entering into of the Second Supplemental Deed in a general meeting of the Company pursuant to Note 1 to Rule 4 of the Takeovers Code. The Executive has waived the requirement for the Company to obtain the Shareholders' approval in a general meeting of the Company in relation to the Second Supplemental Deed pursuant to Note 1 to Rule 4 of the Takeovers Code.

DEFINITIONS

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

“Amendment of Terms”	the proposed amendment of the terms and conditions of the Convertible Bond pursuant to the Second Supplemental Deed to extend the maturity date of the Convertible Bond
“Board”	the board of Directors
“Bondholder” or “Convertible Bondholder”	holder of the Convertible Bond, being Mr. Tang Sing Ming, Sherman, a third party independent of the Group and its connected persons in accordance with the GEM Listing Rules
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Company”	New Wisdom Holding Company Limited (新智控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM under the stock code 8213
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Conversion Period”	the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)
“Conversion Price”	HK\$0.07 per Conversion Share (as adjusted), subject to further adjustments, pursuant to the terms and conditions of the Convertible Bond
“Conversion Share(s)”	new Share(s) which would fall to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Bond
“Convertible Bond”	the convertible bond in the aggregate principal amount of HK\$80 million issued by the Company to Bondholder, the outstanding principal amount of which is HK\$40 million as at the date of this announcement

“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director, as defined in the Takeovers Code
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertaking”	the irrevocable undertaking issued by the Bondholder in favour of the Offeror on 23 April 2018
“Joint Announcement”	the announcement jointly issued by the Company and the Offeror dated 25 April 2018
“Offeror”	Oceanic Fortress Holdings Limited (瀚堡控股有限公司), a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Ms. Huang Li (黃莉), the sole beneficial owner and director of the Offeror
“Second Supplemental Deed”	the second supplemental deed dated 15 August 2018 executed between the Company and the Bondholder in relation to the Convertible Bond
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the Company

“Share Offer”	the mandatory unconditional cash offer to be made by Kingston Securities Limited for and on behalf of the Offeror for all the issued Shares not already owned or agreed to be acquired by the Offeror or parties acting in concert with it in accordance with the Takeovers Code
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Win Union Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is ultimately and beneficially owned by Mr. Chan Kin Chun Victor, the chairman and executive Director of the Company
“Vendor Guarantor”	Mr. Chan Kin Chun Victor, the chairman and executive Director of the Company
“%”	per cent

By order of the Board
New Wisdom Holding Company Limited
Chan Kin Chun Victor
Chairman

Hong Kong, 15 August 2018

As at the date of this announcement, the Company’s executive director is Mr. Chan Kin Chun Victor and Mr. Zheng Hua; and the independent non-executive Directors are Mr. Chan Yee Ping Michael, Mr. Deng Guozhen and Mr. Zeng Shiquan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no matters the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page and the website of the Company at www.nwhcl.com for at least 7 days from the date of its posting.