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Well Link Securities Holdings Limited

立橋證券控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

**Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders**



On 2 September 2024 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 160,000,000 new Shares at the Subscription Price of HK\$0.250 per Subscription Share. Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed “Conditions of the Subscription” of this announcement.

The Subscription Shares represent (i) approximately 20.0% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares will be HK\$1,600,000.

The gross proceeds from the Subscription will be HK\$40.0 million and the estimated net proceeds from the Subscription, after deduction of relevant legal and advisory costs, will be approximately HK\$38.0 million. On such basis, the estimated net price per Subscription Share will be approximately HK\$0.238. The Company intends to apply the proceeds from the Subscription to repay the outstanding Notes of the Company.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought at the EGM. 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 Subscription Shares.

LISTING RULES IMPLICATIONS

The Subscriber is the spouse of Mr. Xu Chujia. Mr. Xu Chujia owns 97% of Well Link Fintech, which is the controlling shareholder of the Company, and is therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription will constitute a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholder's approval requirements under Chapter 20 of the GEM Listing Rules.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Subscription Agreement are on normal commercial terms or better and fair and reasonable, whether the Subscription is in the interests of the Company and the Shareholders as a whole. Eddid Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transaction contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares.

A circular containing (i) details of the Subscription Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; and (iv) the notice of the EGM and proxy form, will be despatched as soon as practicable in accordance with the GEM Listing Rules.

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 2 September 2024 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 160,000,000 new Shares at the Subscription Price of HK\$0.250 per Subscription Share. Completion of the Subscription is subject to the fulfilment of the conditions referred to in the paragraph headed “Conditions of the Subscription” of this announcement.

Principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date: 2 September 2024 (after trading hours)

Parties: (1) the Company (as issuer); and
(2) Ms. Zhang (as subscriber)

The Subscriber is the spouse of Mr. Xu Chujia. Mr. Xu Chujia owns 97% of Well Link Fintech, which is the controlling shareholder of the Company. Accordingly, the Subscription constitute connected transactions of the Company under the GEM Listing Rules and are subject to the reporting, announcement and Independent Shareholders’ approval requirement under Chapter 20 of the GEM Listing Rules.

Subscription Shares

The Subscription Shares represent:

- (a) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion. The aggregate nominal value of the Subscription Shares will be HK\$1,600,000.

Subscription Price

The Subscription Price of HK\$0.250 per Subscription Share represents:

- (a) a premium of approximately 65.6% to the closing price of HK\$0.151 per Share as quoted on the Stock Exchange on 2 September 2024, being the date of the Subscription Agreement; and
- (b) a premium of approximately 66.9% to the average closing price of HK\$0.150 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. The Board (excluding the independent non-executive Directors whose view will be expressed in the circular after considering the opinion of the independent financial adviser) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion is conditional upon the fulfilment of the following conditions:

- (a) passing of the necessary resolution(s) at the EGM by the Independent Shareholders of the Company to approve the Subscription Agreement, the Specific Mandate and the transactions contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion; and
- (c) each of the Company and the Subscriber having obtained all necessary consents and approvals in respect of the Subscription Agreement and the transactions contemplated thereunder.

If the above conditions are not fulfilled by before 4:00 p.m. (Hong Kong time) on 31 October 2024 (or such other date as the parties may agree in writing), the Subscription Agreement will be automatically terminated and lapsed and none of the parties to the Subscription Agreement shall have any claim against the other in respect of the Subscription.

Completion

Completion of the Subscription will take place within ten (10) Business Days after the date of fulfillment of the conditions referred to above.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

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

INFORMATION ON THE GROUP

The Company is an investment holding company and its subsidiaries mainly provides brokerage services for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group also provides margin financing business, equity and debt securities placing service, investment advisory services and money lending business.

INFORMATION ON THE SUBSCRIBER

The Subscriber is the spouse of Mr. Xu Chujia. Mr. Xu Chujia owns 97% of Well Link Fintech is the controlling shareholder of the Company. Well Link Fintech was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the date of this announcement, save for holding the shares of the Company, Well Link Fintech did not hold any other investment or engage in any other business activities. The directors of Well Link Fintech are Ms. Xu Wenxia, who is the daughter of Mr. Xu Chujia, the Chairman of the Board and an executive Director of the Company and Mr. Kwan Kin Man Keith, an executive Director and Chief Executive of the Company.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The gross proceeds from the Subscription will be HK\$40.0 million and the estimated net proceeds from the Subscription, after deduction of relevant legal and advisory costs, will be approximately HK\$38.0 million. On such basis, the estimated net price per Subscription Share will be approximately HK\$0.238. The Company intends to apply the net proceeds from the Subscription as to repay the outstanding Notes of the Company issued on 31 January 2022 which will mature on 31 January 2025. The Board considers that the Subscription represents a good opportunity to reduce the indebtedness and finance costs of the Group. The Directors (excluding the independent non-executive Directors whose view will be expressed in the

circular after considering the opinion of the Independent Financial Adviser) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not have any equity fund raising activity conducted in the past 12 months immediately before this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 800,000,000 Shares in issue. The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion:

	As at the date of the Announcement		Immediately after completion of the Subscription	
	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>
Controlling Shareholder, connected person and Director				
Well Link Fintech ⁽¹⁾	523,672,000	65.46%	523,672,000	54.55%
The Subscriber ⁽¹⁾	–	–	160,000,000	16.67%
Mr. Kwan Kin Man Keith	24,000,000	3.00%	24,000,000	2.50%
Other public Shareholders	<u>252,328,000</u>	<u>31.5%</u>	<u>252,328,000</u>	<u>26.28%</u>
Total	<u>800,000,000</u>	<u>100.00%</u>	<u>960,000,000</u>	<u>100.00%</u>

Note:

- (1) Well Link Fintech is owned as to 97% by Mr. Xu Chujia and the Subscriber is the spouse of Mr. Xu Chujia. As at the date of this announcement, by virtue of the SFO, Mr. Xu Chujia and the Subscriber are deemed to be interested in 523,672,000 Shares held by Well Link Fintech, representing approximately 65.46% of the entire issued share capital of the Company. Immediately after completion of the Subscription, the Subscriber is the beneficiary owner of 160,000,000 Shares. By virtue of the SFO, Mr. Xu Chujia and the Subscriber are deemed to be interested in 683,672,000 Shares, representing approximately 71.22% of the entire issued share capital of the Company.

LISTING RULES IMPLICATION

The Subscriber is the spouse of Mr. Xu Chujia. Mr. Xu Chujia owns 97% of Well Link Fintech, the controlling shareholder of the Company and are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitute connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The directors of Well Link Fintech are Ms. Xu Wenxia, who is the daughter of Mr. Xu Chujia, the Chairman of the Board and an executive Director of the Company and Mr. Kwan Kin Man Keith, an executive Director and Chief Executive of the Company. Ms. Xu Wenxia and Mr. Kwan Kin Man Keith and are considered to have material interests in the Subscription. Ms. Xu Wenxia and Mr. Kwan Kin Man Keith have abstained from voting on the board resolutions approving the Subscription Agreement and the transactions contemplated thereunder.

In accordance with the GEM Listing Rules, Well Link Fintech and its associates will be required to abstain from voting on the resolution(s) to approve the Subscription and the transaction contemplated thereunder at the EGM. Well Link Fintech and Mr. Kwan Kin Man Keith are required to abstain from voting on the relevant resolutions at the EGM.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Subscriptions and will be required to abstain from voting on the resolution(s) to approve the Subscriptions and the transactions contemplated thereunder at the EGM.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Subscription and the Subscription Agreement are on normal commercial terms or better and fair and reasonable, whether the Subscription is in the interests of the Company and the Shareholders as a whole. Eddid Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate to allot and issue the Subscription Shares.

A circular containing, among other things, (i) details of the Subscription and the Subscription Agreement; (ii) the recommendation from the Independent Board Committee in respect of the Subscription Agreement and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the Subscription Agreement and the transactions contemplated thereunder; and (iv) the notice of the EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Well Link Securities Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8350)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Eddid Capital Limited” or “Independent Financial Adviser”	Eddid Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in respect of the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve (i) the Subscription Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate to allot and issue the Subscription Shares
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Ms. Zhang”	Ms. Zhang Meijuan, a Hong Kong citizen, who is the spouse of Mr. Xu Chujia, who owns 97% of Well Link Fintech and the ultimate controlling shareholder of the Company
“Notes”	the unsecured notes with an aggregate principal amount of HK\$40,000,000 issued on 31 January 2022
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ms. Zhang
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 2 September 2024 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.250 per Subscription Share
“Subscription Shares”	an aggregate of 160,000,000 Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Well Link Fintech”	Well Link Fintech Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of the Company. The company is 97% held by Mr. Xu Chujia and 3% held by Ms. Tsim Ying Wah. The directors of Well Link Fintech are Mr. Kwan Kin Man Keith, an executive Director and Chief Executive of the Company and Ms. Xu Wenxia, who is the daughter of Mr. Xu Chujia, the Chairman of the Board and an executive Director of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Well Link Securities Holdings Limited
Xu Wenxia
Chairman

Hong Kong, 2 September 2024

As at the date of this announcement, the Executive Directors comprises of Ms. Xu Wenxia and Mr. Kwan Kin Man Keith. Independent Non-executive Directors comprises of Mr. Li Jun, Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Announcements” page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at <https://www.wlis.com.hk/>.