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MIKO INTERNATIONAL HOLDINGS LIMITED

米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CB SUBSCRIPTION AGREEMENT AND THE CONVERTIBLE BONDS

INTRODUCTION

Reference is made to the announcement of the Company dated 2 June 2017 in relation to (inter alia) the issue of the Convertible Bonds under general mandate and the announcement of the Company dated 12 June 2019 in relation to the proposed amendments to the terms and conditions of the CB Subscription Agreement and the Convertible Bonds (collectively the “**Announcements**”). Save as otherwise defined, capitalised terms used shall have the same meaning as those defined in the Announcements.

As at the date of this announcement, Convertible Bonds in the outstanding principal amount of RMB15,763,478 (i.e. HK\$18,128,000) are outstanding.

DETAILS OF THE SUPPLEMENTAL DEED OF AMENDMENT

Date:

1 February 2021

Parties:

- (i) the Company;
- (ii) the Purchaser; and
- (iii) the Subscriber

To the best of the information, knowledge and belief of the Directors after making all reasonable enquiries, the Subscriber and its ultimate beneficial owner are third parties independent to the Company and its connected persons.

Proposed Further Amendments

On 1 February 2021, the Company, the Purchaser and the Subscriber entered into the Supplemental Deed of Amendment to further amend and restate the terms of the CB Subscription Agreement and the Convertible Bonds. Under the Supplemental Deed of Amendment, the parties thereto agreed that upon the fulfilment of conditions precedent, the maturity date of the Convertible Bonds shall be extended from 23 June 2021 to 23 June 2023.

Save as disclosed above, all other principal terms and conditions of the CB Subscription Agreement and the Convertible Bonds as amended by the Deed of Amendment remain unchanged. A brief summary of the principal terms and conditions of the Convertible Bonds is set out in the paragraph headed “Principal terms of Convertible Bonds” below.

Conditions precedent

The Proposed Further Amendments are conditional upon:

- (i) the Board, the board of directors of the Purchaser and the board of directors of the Subscriber having approved the Supplemental Deed of Amendment and the Proposed Further Amendments;
- (ii) the Stock Exchange having approved the Proposed Further Amendments including, among others, the listing on the Stock Exchange of, and permission to deal in, the Conversion Shares arising from conversion of the Convertible Bonds (as amended by the Proposed Further Amendments) during the amended conversion period as mentioned above; and
- (iii) the Company and the Subscriber having obtained all necessary consent and approval for the transactions contemplated under the Supplemental Deed of Amendment in accordance with and in compliance with the relevant laws and regulations (including but not limited to the Listing Rules and related regulations in Hong Kong and the PRC), having obtained all other necessary permission, consent, waiver and approval as required by all government and regulatory authorities and other third parties and remaining valid, and the competent authorities not enforcing any rules or regulations to prohibit or materially delay the performance and completion of the Supplemental Deed of Amendment.

PRINCIPAL TERMS OF CONVERTIBLE BONDS

Principal amount outstanding	RMB15,763,478 (i.e. HK\$18,128,000)
Maturity Date	The date falling on the sixth anniversary of the Issue Date, or if such date is not a business day, the first business day immediately after such day (i.e. 23 June 2023)
Interest	<p>The Convertible Bonds shall bear interest from 23 June 2019 at the rate of 8.0% per annum on the principal amount of the Convertible Bonds outstanding.</p> <p>The Convertible Bonds shall bear interest at the fixed exchange rate of RMB1 to HK\$1.15 and shall be paid in RMB.</p>
Conversion price	HK\$0.11 per Conversion Share.
Number of Conversion Shares to be issued upon full exercise of Conversion Rights	164,800,000 new Shares
Conversion Period	<p>The Subscriber has the right to convert the Convertible Bonds in whole or in part into Conversion Shares at any time up to the maturity date.</p> <p>Upon exercising the Conversion Rights, the level of the public float shall not be lower than 25% of the enlarged issued share capital of the Company as a result of the issue of Conversion Shares by the Company.</p>
Redemption at maturity	<p>If the Convertible Bonds are not converted before the maturity date, the Company shall redeem all outstanding Convertible Bonds in principal amount on the maturity date, together with interest incurred but unpaid.</p> <p>Upon redemption, the Convertible Bonds shall be converted at the fixed exchange rate of RMB1 to HK\$1.15, and the redemption price will be paid to the Subscriber in RMB.</p>

Form and face value The Convertible Bonds constitute a general and unsecured obligation to the Company, and rank pari passu with all existing and future unsecured and non-subordinated obligations to the Company in all aspects, except as otherwise required by related statutory provisions. The Company will not make an application for listing of the Convertible Bonds in any jurisdiction

The Company confirms that all the provisions of the CB Subscription Agreement and the terms of the Convertible Bonds will continue to remain in full force and effect save as amended by the Deed of Amendment and the Supplemental Deed of Amendment.

COMPARISON OF CONVERSION PRICE

The Conversion Price of HK\$0.11 per Conversion Share represents:

- (i) a premium of approximately 86.44% to the closing price of HK\$0.059 per Share as quoted on the Stock Exchange on 29 January 2021 (i.e. the last trading day before the date of the Supplemental Deed of Amendment);
- (ii) a premium of approximately 85.81% to the average closing price of approximately HK\$0.0592 per Share as quoted on the Stock Exchange for the last five trading days up to and including 29 January 2021 (i.e. the last trading day before the date of the Supplemental Deed of Amendment);
- (iii) a premium of approximately 87.39% to the average closing price of approximately HK\$0.0587 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 29 January 2021 (i.e. the last trading day before the date of the Supplemental Deed of Amendment).

CONVERSION SHARES

As at the date of this announcement, none of the Convertible Bonds had been redeemed or converted.

Assuming the Conversion Rights are exercised in full at the Conversion Price of HK\$0.11 per Conversion Share and no change in the shareholding structure of the Company, 164,800,000 Conversion Shares will fall to be issued to the Subscriber, representing approximately 16.7% of the number of Shares in issue as at the date of this announcement and approximately 14.3% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares.

Changes to the shareholding structure of the Company upon full exercise of the Convertible Bonds

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 Bonds, assuming no further issue or repurchase of Shares and no conversion of any of the convertible securities of the Company:

	Shareholding as at the date of this announcement		Shareholding immediately upon full conversion of the Convertible Bonds	
	<i>No. of Shares (approximately)</i>	<i>%</i>	<i>No. of Shares (approximately)</i>	<i>%</i>
Think Wise Holdings				
Investment Limited (<i>Note 1</i>)	248,176,694	25.2	248,176,694	21.6
Rightful Style Limited (<i>Note 2</i>)	42,312,000	4.3	42,312,000	3.6
Snowy Wise Limited (<i>Note 3</i>)	42,240,000	4.3	42,240,000	3.6
Public Shareholders	652,371,306	66.2	652,371,306	56.8
Subscriber	0	0.0	164,800,000	14.4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total (<i>Note 4</i>)	<u>984,000,000</u>	<u>100.0</u>	<u>1,148,800,000</u>	<u>100.0</u>

Notes:

- (1) Think Wise Holdings Investment Limited is wholly-owned and controlled by Mr. Ding Peiji. Accordingly, Mr. Ding Peiji is deemed to be interested in all the Shares in which Think Wise Holdings Investment Limited is interested under the SFO.
- (2) Rightful Style Limited is wholly-owned and controlled by Mr. Ding Peiyuan. Accordingly, Mr. Ding Peiyuan is deemed to be interested in all the Shares in which Rightful Style Limited is interested under the SFO.
- (3) Snowy Wise Limited is wholly-owned and controlled by Ms. Ding Lizhen. Accordingly, Ms. Ding Lizhen is deemed to be interested in all the Shares in which Snowy Wise Limited is interested under the SFO.
- (4) The sum of the percentage does not add up to 100% because of rounding.

REASONS OF THE PROPOSED FURTHER AMENDMENTS

Under the current terms and conditions of the Convertible Bonds, the Company shall redeem all the Convertible Bonds upon their maturity on 23 June 2021. An extension of the maturity date of the Convertible Bonds would effectively enhance the liquidity of working capital of the Group and provide the Group with flexibility in relation to the Group's deployment of its financial resources to fund its business operation as well as working capital requirements. The Directors consider that the Proposed Further Amendments are fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

An application has been made by the Company to the Stock Exchange for the approval of the Proposed Further Amendments under Rule 28.05 of the Listing Rules. As a result of the Proposed Further Amendments, a new application has also been made to the Stock Exchange for the grant of the listing of, and permission to deal in, the Conversion Shares falling to be allotted and issued under the Convertible Bonds (as supplemented and amended by the Supplemental Deed of Amendment).

The General Mandate authorised the Board to allot and issue up to 196,800,000 new Shares, being 20% of the total number of Shares in issue (i.e. 984,000,000 Shares) as at the date of passing the relevant resolution. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate as at the date of this announcement. Accordingly, the new Shares upon exercising the Conversion Right in full will be allotted and issued under the General Mandate and will not be subject to any additional Shareholders' approval.

DEFINITIONS

In this announcement, capitalised terms shall have the same meanings as defined in the Announcements and the following terms shall have the meanings as set out below unless the context otherwise requires:

“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 29 June 2020 to allot and issue up to 20% of the aggregate of the total number of issued Shares on the date of the passing of the resolution
“Proposed Further Amendments”	the proposed amendments to the terms and conditions of the CB Subscription Agreement and the Convertible Bonds contemplated under the Supplemental Deed of Amendment

“Subscriber” Bright Oasis Investment Holdings Limited (明洋投資控股有限公司), a company incorporated in the British Virgin Islands, its registered address is at Sea Meadow House, Blackburne Highway, (P.O. Box) Road Town, Tortola BVI. Its ultimate beneficial owner is Li Xiaojun (李曉軍), a PRC national

“Supplemental Deed of Amendment” the supplemental deed of amendment entered into by the Company, the Purchaser and the Subscriber on 1 February 2021

By Order of the Board
Miko International Holdings Limited
Ding Peiji
Chairman

Hong Kong, 1 February 2021

As at the date of this announcement, our executive Directors are Mr. Ding Peiji, Mr. Ding Peiyuan and Ms. Ding Lizhen; and our independent non-executive Directors are Mr. Hung Cho Sing, Mr. Chan Wai Wong and Mr. Wu Shiming.