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WANJIA GROUP HOLDINGS LIMITED

萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

**(I) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES
FOR EVERY ONE (1) CONSOLIDATED SHARE
HELD ON THE RECORD DATE;
AND
(II) ADJUSTMENTS RELATING TO THE SHARE OPTIONS**

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Monday, 17 February 2020, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 10 valid acceptances of the provisional allotment of Rights Shares made under the Rights Issue for a total of 47,101,466 Rights Shares, representing approximately 12.61% of the total number of 373,481,424 Rights Shares offered under the Rights Issue, had been received; and
- (ii) a total of 9 valid applications for excess Rights Shares had been made under the Rights Issue for a total of 166,267,597 Rights Shares, representing approximately 44.52% of the total number of 373,481,424 Rights Shares offered under the Rights Issue.

In aggregate, a total of 19 valid acceptances and applications in respect of 213,369,063 Rights Shares, representing approximately 57.13% of the total number of Rights Shares being offered under the Rights Issue, were received.

Pursuant to the Irrevocable Undertaking, Power King has subscribed for a total of 154,621,903 Rights Shares, which comprise (a) 4,480,590 Rights Shares, representing its full entitlement under the Rights Issue; and (b) 150,141,313 Rights Shares by way of excess application.

Based on the above results, the Rights Issue was under-subscribed by 160,112,361 Rights Shares, representing approximately 42.87% of the total number of 373,481,424 Rights Shares being offered under the Rights Issue.

THE UNDERWRITING AGREEMENT

As all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Tuesday, 18 February 2020, the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 18 February 2020.

As a result of the under-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter has procured subscribers to subscribe for 160,112,361 Underwritten Shares, representing approximately 42.87% of the total number of 373,481,424 Rights Shares being offered under the Rights Issue. None of the subscribers procured by the Underwriter has become a substantial shareholder of the Company upon completion of the Rights Issue.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 166,267,597 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full. Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that the share certificates for the fully-paid Rights Shares will be posted to the allottees by ordinary post to their registered addresses at their own risks on Tuesday, 25 February 2020.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 26 February 2020.

ADJUSTMENTS RELATING TO THE SHARE OPTIONS

As a result of the Rights Issue, adjustments to the exercise price and the number of Consolidated Shares to be issued upon exercise of the outstanding Share Options will become effective from 25 February 2020 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue. Details are set out in the paragraph headed “ADJUSTMENTS RELATING TO THE SHARE OPTIONS” in this announcement.

Reference is made to the prospectus of Wanjia Group Holdings Limited (the “**Company**”) dated 3 February 2020 (the “**Prospectus**”) in relation to the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus, unless the context otherwise requires.

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- (ii) a total of 9 valid applications for excess Rights Shares had been made under the Rights Issue for a total of 166,267,597 Rights Shares, representing approximately 44.52% of the total number of 373,481,424 Rights Shares offered under the Rights Issue.

In aggregate, a total of 19 valid acceptances and applications in respect of 213,369,063 Rights Shares, representing approximately 57.13% of the total number of Rights Shares being offered under the Rights Issue, were received.

Pursuant to the Irrevocable Undertaking, Power King has subscribed for a total of 154,621,903 Rights Shares, which comprise (a) 4,480,590 Rights Shares, representing its full entitlement under the Rights Issue; and (b) 150,141,313 Rights Shares by way of excess application.

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EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 166,267,597 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full. Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Consolidated Shares Approximate %</i>		<i>No. of Consolidated Shares Approximate %</i>	
Director's interest				
Power King (<i>Note 1</i>)	2,240,295	1.20	156,862,198	28.00
Public Shareholders				
New Hope International (Hong Kong) Limited (<i>Note 2</i>)	10,982,960	5.88	10,982,960	1.96
Other public Shareholders	173,517,457	92.92	232,264,617	41.46
Subscribers procured by the Underwriter (<i>Note 3</i>)	—	—	160,112,361	28.58
Total	<u>186,740,712</u>	<u>100.00</u>	<u>560,222,136</u>	<u>100.00</u>

Upon completion of the Rights Issue, the Company will continue to satisfy the public float requirements under Rule 8.08 of the Listing Rules.

Notes:

1. Power King is wholly-owned by Ms. Yung, an executive Director. Ms. Yung is deemed to be interested in the Shares owned by Power King. Mr. Wang, an executive Director, is the spouse of Ms. Yung. Mr. Wang is deemed to be interested in the Shares in which Ms. Yung is interested in.

2. These Shares are legally owned by New Hope International (Hong Kong) Limited. The issued share capital of New Hope International (Hong Kong) Limited is owned as to 75% by Southern Hope Enterprise Company Limited which is in turn owned as to 51% by New Hope Group Company Limited and 49% by Tibet Hengye Feng Industrial Company Limited. Both New Hope Group Company Limited and Tibet Hengye Feng Industrial Company Limited are owned as to 62.34% by Mr. Liu Yonghao, as to 36.35% by Ms. Liu Chang and as to 1.31% by Ms. Li Wei, the spouse of Mr. Liu Yonghao. Mr. Liu Yonghao, Ms. Liu Chang and Ms. Li Wei are deemed to be interested in the Shares in which New Hope International (Hong Kong) Limited is interested.
3. The Underwriter confirmed that:
 - (i) the subscribers procured by the Underwriter for any Underwritten Shares which have not been taken up on the terms of the Prospectus Documents, are independent of and not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates;
 - (ii) the public float requirements under Rule 8.08 of the Listing Rules has been fulfilled by the Company upon completion of the Rights Issue;
 - (iii) the Underwriter did not (together with any of its respective connected persons or associates) hold in aggregate 9.9% or more of the voting rights of the Company immediately after the Rights Issue; and
 - (iv) each of the ultimate subscribers or purchasers procured by the Underwriter did not (together with any of their respective connected persons or associates) hold in aggregate 9.9% or more of the voting rights of the Company immediately after the Rights Issue.
4. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that the share certificates for the fully-paid Rights Shares will be posted to the allottees by ordinary post to their registered addresses at their own risks on Tuesday, 25 February 2020.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 26 February 2020.

ADJUSTMENTS RELATING TO THE SHARE OPTIONS

Prior to the completion of the Rights Issue, there were 12,968,000 outstanding Share Options, which entitled holders thereof to subscribe for 12,968,000 Consolidated Shares at the exercise price of HK\$0.675 per Consolidated Share under the Share Option Scheme.

As a result of the Rights Issue, adjustments to the exercise price and the number of Consolidated Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding the interpretation of Rule 17.03(13) of the Listing Rules are as follows and will become effective from 25 February 2020 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue:

	Immediately prior to the adjustments as a result of the completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Exercise price per Consolidated Share	Number of Consolidated Shares to be issued upon exercising of the Share Options in full	Exercise price per Consolidated Share	Number of Consolidated Shares to be issued upon exercising of the Share Options in full
Date of grant				
26 October 2018	HK\$0.675	12,968,000	HK\$0.668	13,103,892

Save for the above adjustments, all other terms and conditions of the outstanding Share Options granted under the Share Option Scheme remain unchanged.

The independent financial adviser has reviewed the calculations and confirmed to the Directors in writing that the above adjustments are in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding the interpretation of Rule 17.03(13) of the Listing Rules.

By order of the Board
WANJIA GROUP HOLDINGS LIMITED
Wang Jia Jun
Executive Director

Hong Kong, 24 February 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chen Jinshan, Mr. Wang Jia Jun and Ms. Yung Ka Lai and three independent non-executive Directors, namely Mr. Wong Hon Kit, Dr. Liu Yongping and Mr. Ho Man.