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华科资本
WEALTHKING INVESTMENTS

WEALTHKING INVESTMENTS LIMITED

華科資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1140)

ISSUE AND ALLOTMENT OF NEW SHARES FOR SUBSCRIPTION UNDER GENERAL MANDATE

The Board is pleased to announce that on 26 October 2021 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 580,188,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to the Subscribers. The Subscription is subject to various conditions set out below under the heading “Conditions precedent to the Subscription”.

The Subscription Shares represent approximately 16.67% of the existing issued share capital of the Company and approximately 14.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, subject to completion of the Subscription.

The Subscription Price is fixed at HK\$0.62 per Subscription Share, which represents:

- (i) a discount of approximately 16.2% to the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on 26 October 2021, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 13.6% to the average closing price of HK\$0.718 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 25 October 2021, being the trading day immediately preceding the date of the Subscription Agreements.

The gross proceeds from the Subscription are expected to be approximately HK\$359.71 million. After deducting all related expenses of approximately HK\$50,000 to be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$359.66 million. The net proceeds from the Subscription will be used for future investment pursuant to the investment objectives of the Company.

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM.

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

Completion of the Subscription is subject to fulfillment of the condition precedent in the Subscription Agreements and the Subscription may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 26 October 2021 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers for the conditional subscription of new Subscription Shares on and subject to the terms and conditions of each of the Subscription Agreements. The principal terms of each Subscription Agreement are substantially the same. Set out below are the key terms of the Subscription Agreements.

Date

26 October 2021

Parties

Subscription Agreement I: (1) The Company (as issuer)

(2) Subscriber I

Subscription Agreement II: (1) The Company (as issuer)

(2) Subscriber II

Subscription Agreement III: (1) The Company (as issuer)

(2) Subscriber III

Subscription Agreement IV: (1) The Company (as issuer)

(2) Subscriber IV

Subscription Agreement V: (1) The Company (as issuer)

(2) Subscriber V

Subscription Agreement VI: (1) The Company (as issuer)

(2) Subscriber VI

Subscription Agreement VII: (1) The Company (as issuer)

(2) Subscriber VII

The Subscription

Subscriber I has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 81,000,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber I.

Subscriber II has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 174,000,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber II.

Subscriber III has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 97,000,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber III.

Subscriber IV has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 49,000,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber IV.

Subscriber V has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 68,000,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber V.

Subscriber VI has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 69,000,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber VI.

Subscriber VII has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 42,188,000 new Shares at the Subscription Price of HK\$0.62 per Subscription Share to Subscriber VII.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Subscribers is a Professional Investor and an Independent Third Party.

Conditions precedent to the Subscription

Completion of the Subscription under each of the Subscription Agreements is conditional upon fulfillment of the following conditions:

- (a) the approval for the listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the relevant Subscription Shares); and
- (b) all representations and warranties in the relevant Subscription Agreements remain true, accurate and not misleading in all material aspects upon the date of completion of the Subscription.

If the above conditions are not fulfilled on or prior to the Long Stop Date, the Subscription Agreements shall terminate and neither of the parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreements.

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other.

Completion of the Subscription

Completion of the Subscription will take place on the 5th business day immediately after all the conditions of the Subscription are fulfilled or waived (or such other date as may be agreed between the Company and the relevant Subscriber in writing).

Completion of the Subscription is subject to fulfillment of the condition precedent in the Subscription Agreements and the Subscription may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Restrictions on disposals of Subscription Shares by the Subscribers

Each of the Subscribers is not subject to any restrictions on disposals of the Subscription Shares under the Subscription Agreements.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscription Shares including all dividends declared or payable or distributions made or proposed on or after the date of completion of the Subscription.

GENERAL

The Subscription Shares

The Subscription Shares represent approximately 16.67% of the existing issued share capital of the Company and approximately 14.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription.

The Subscription Shares have an aggregate nominal value of HK\$58,018,800 and the market value of the Subscription Shares is approximately HK\$429,339,120 based on the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements.

Mandate for the issue of the Subscription Shares

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM.

At the AGM, the total number of Shares in issue was 2,900,940,000 Shares. Accordingly, the maximum number of new Shares which can be issued pursuant to the General Mandate is 580,188,000 Shares (representing 20% of the issued share capital of the Company as at the date of the AGM), which has not been utilized since the date of the AGM. The issue of the Subscription Shares pursuant to the General Mandate is not subject to the approval of the Shareholders. After completion of the Subscription, there is no Share which may be allotted and issued pursuant to the General Mandate.

Application for listing

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

Information on the Group

The Group is principally engaged in investment in a diversified portfolio of investments in listed and unlisted enterprises thereby to achieve earnings in the form of medium to long term capital appreciation.

REASONS FOR THE SUBSCRIPTION

It has been the investment policy of the Company to invest in companies with high-growth potential in order to create value for shareholders. In a versatile market, it is important that the Group has readily available funds to capture fleeting opportunities for premium investments. The Directors consider that it is in the interests of the Company to raise capital by way of equity financing in order to maintain the cash flow position of the Group for capturing suitable investment opportunities in a timely manner. The Subscription will also enhance the capital and shareholders' base of the Company for long-term development and further strengthen its financial position. The Directors (including the independent non-executive Directors) consider the terms of the Subscription Agreements to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

SUBSCRIPTION PRICE AND USE OF PROCEEDS

The Subscription Price is fixed at HK\$0.62 per Subscription Share which represents:

- (i) a discount of approximately 16.2% to the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on 26 October 2021, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 13.6% to the average closing price of approximately HK\$0.718 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 25 October 2021, being the trading day immediately preceding the date of the Subscription Agreements.

Taking into account the expenses of the Subscription in the amount of approximately HK\$50,000, the net price to the Company of each Subscription Share is approximately HK\$0.62 per Subscription Share. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares and current market conditions.

The gross proceeds from the Subscription are expected to be approximately HK\$359.71 million. After deducting all related expenses of approximately HK\$50,000 to be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$359.66 million. The net proceeds from the Subscription will be used for future investment pursuant to the investment objectives of the Company.

The Company will disclose the use of proceeds from the Subscription in the annual report for the year ended 31 March 2022.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTH

The following is the equity fund raising activities conducted by the Company in the past twelve (12) months immediately preceding the date of this announcement:

Event and Date	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds as of the date of this announcement
Issue and allotment of 580,188,000 Shares on 3 September 2021	HK\$382.87 million	As general working capital and for future investment	Used as intended

CHANGES TO THE SHAREHOLDING AS A RESULT OF THE SUBSCRIPTION

As at the date of this announcement, the Company has 3,481,128,000 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Subscription:

Name of Shareholder	At the date of this announcement		Immediately after completion of the Subscription	
	No. of Shares	%	No. of Shares	%
Connected persons or substantial Shareholders				
Dr. Liu Zhiwei (<i>Note 1</i>)	427,174,000	12.27	427,174,000	10.52
Oriental Patron Financial Group Limited (“OPFGL”) (<i>Note 2</i>)	359,800,000	10.34	359,800,000	8.86
Sub-total:	<u>786,974</u>	<u>22.61</u>	<u>786,974</u>	<u>19.38</u>
Public				
Subscriber I	—	—	81,000,000	2.00
Subscriber II	—	—	174,000,000	4.28
Subscriber III	—	—	97,000,000	2.39
Subscriber IV	—	—	49,000,000	1.21
Subscriber V	—	—	68,000,000	1.67
Subscriber VI	—	—	69,000,000	1.70
Subscriber VII	—	—	42,188,000	1.04
Other public Shareholders	2,694,154,000	77.39	2,694,154,000	66.33
Sub-total:	<u>2,694,154,000</u>	<u>77.39</u>	<u>3,274,342,000</u>	<u>80.62</u>
Total	<u><u>3,481,128,000</u></u>	<u><u>100.00</u></u>	<u><u>4,061,316,000</u></u>	<u><u>100.00</u></u>

Notes:

- Dr. Liu Zhiwei is a connected person of the Company by virtue of him being an executive Director.
- These 359,800,000 Shares represented an aggregate of 330,000,000 Shares held by Ottness Investments Limited (“OIL”) and 29,800,000 Shares held by Oriental Patron Financial Services Group Limited (“OPFSG”). OIL is a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSG is owned by OPFGL. The issued share capital of OPFGL is beneficially owned as to 51% by Mr. Zhang Zhi Ping and 49% by Mr. Zhang Gaobo. By virtue of the SFO, each of Mr. Zhang Zhi Ping and Mr. Zhang Gaobo is deemed to be interested in the Shares and underlying Shares of the Company held by OIL and OPFSG. Mr. Zhang Zhi Ping and Mr. Zhang Gaobo resigned as the executive Directors on 16 December 2020. Both Mr. Zhang Zhi Ping and Mr. Zhang Gaobo are connected persons of the Company by virtue of them being executive Directors in the last 12 months.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 18 August 2021
“Board”	the board of Directors
“Company”	Wealthking Investments Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general and unconditional mandate of the Company granted to the Directors to, <i>inter alia</i> , allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	in the case of an individual, means a person who is a third party independent of the Company and its connected persons (within the meaning of the Listing Rules); in the case of a company, means the company and its ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons (within the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	4:00 p.m. (Hong Kong time) on 25 November 2021, or such other time and date as the respective parties to the Subscription Agreements may agree in writing
“Professional Investor”	in the case of an individual, means a professional investor within the meaning of section 5 of the Securities and Futures (Professional Investor) Rules (Cap. 571D); in the case of a company, means a professional investor within the meaning of section 6 of the Securities and Futures (Professional Investor) Rules (Cap. 571D)

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	the subscriber of 81,000,000 Subscription Shares under the Subscription Agreement I, a Professional Investor and an Independent Third Party
“Subscriber II”	the subscriber of 174,000,000 Subscription Shares under the Subscription Agreement II, a Professional Investor and an Independent Third Party
“Subscriber III”	the subscriber of 97,000,000 Subscription Shares under the Subscription Agreement III, a Professional Investor and an Independent Third Party
“Subscriber IV”	the subscriber of 49,000,000 Subscription Shares under the Subscription Agreement IV, a Professional Investor and an Independent Third Party
“Subscriber V”	the subscriber of 68,000,000 Subscription Shares under the Subscription Agreement V, a Professional Investor and an Independent Third Party
“Subscriber VI”	the subscriber of 69,000,000 Subscription Shares under the Subscription Agreement VI, a Professional Investor and an Independent Third Party
“Subscriber VII”	the subscriber of 42,188,000 Subscription Shares under the Subscription Agreement VII, a Professional Investor and an Independent Third Party
“Subscribers”	collectively, Subscriber I, Subscriber II, Subscriber III, Subscriber IV, Subscriber V, Subscriber VI and Subscriber VII

“Subscription”	subscription of Subscription Shares by the Subscribers at the Subscription Price pursuant to the Subscription Agreements
“Subscription Agreement I”	the subscription agreement dated 26 October 2021 entered into between the Company and Subscriber I in respect of the Subscription
“Subscription Agreement II”	the subscription agreement dated 26 October 2021 entered into between the Company and Subscriber II in respect of the Subscription
“Subscription Agreement III”	the subscription agreement dated 26 October 2021 entered into between the Company and Subscriber III in respect of the Subscription
“Subscription Agreement IV”	the subscription agreement dated 26 October 2021 entered into between the Company and Subscriber IV in respect of the Subscription
“Subscription Agreement V”	the subscription agreement dated 26 October 2021 entered into between the Company and the Subscriber V in respect of the Subscription
“Subscription Agreement VI”	the subscription agreement dated 26 October 2021 entered into between the Company and Subscriber VI in respect of the Subscription
“Subscription Agreement VII”	the subscription agreement dated 26 October 2021 entered into between the Company and Subscriber VII in respect of the Subscription
“Subscription Agreements”	collectively, the Subscription Agreement I, the Subscription Agreement II, the Subscription Agreement III, the Subscription Agreement IV, the Subscription Agreement V, the Subscription Agreement VI and the Subscription Agreement VII
“Subscription Price”	the subscription price of HK\$0.62 per Subscription Share

“Subscription Shares”	a total of 580,188,000 new Shares to be allotted and issued by the Company to the Subscribers under the Subscription Agreements
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“%”	per cent.

By order of the Board
Wealthking Investments Limited
Liu Zhiwei
Executive Director and Chairman

Hong Kong SAR, 26 October 2021

As at the date of this announcement, the Board comprises one executive Director, namely, Dr. Liu Zhiwei; two non-executive Directors, namely Dr. Fu Weigang and Dr. Wang Shibin; and three independent non-executive Directors, namely, Professor He Jia, Mr. Wang Xiaojun and Mr. Chen Yuming.