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DIWANG INDUSTRIAL HOLDINGS LIMITED

帝王實業控股有限公司

(formerly known as Sunlight Technology Holdings Limited 深藍科技控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1950)

EXTENSION OF LONG STOP DATE AND SUPPLEMENTAL INFORMATION IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent:



Reference is made to the announcement of Diwang Industrial Holdings Limited (the “**Company**”) dated 28 June 2022 in relation to, amongst other things, the Placing (the “**Placing Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Placing Announcement.

EXTENSION OF LONG STOP DATE

Pursuant to the Placing Agreement, the Completion of the Placing is conditional upon the fulfillment of the conditions precedent set out in the Placing Agreement (the “**Conditions Precedent**”) on or before 18 July 2022 (or such later date as the Company and the Placing Agent may agree in writing) (the “**Long Stop Date**”).

As additional time is required to fulfill the Conditions Precedent, the Company and the Placing Agent have entered into a supplemental agreement to the Placing Agreement on 18 July 2022 (after trading hours), whereby the parties agreed to extend the Long Stop Date to 27 July 2022 (or such later date as the Company and the Placing Agent may agree in writing).

Save and except for the aforesaid change, all the terms and conditions of the Placing Agreement remain unchanged and continue in full force and effect.

SUPPLEMENTAL INFORMATION ON THE USE OF PROCEEDS

As disclosed in the Placing Announcement, the Company intends to apply HK\$21,290,000 of the net proceeds from the Placing for general working capital of the Group. Details of the breakdown are as follows:

Items	Amount HK\$'000
Staff cost	11,290
Selling and distribution expenses	5,000
Other office overhead and general corporate purposes	5,000
Total	21,290

The above-mentioned use of proceeds is expected to be fully utilized in 12 months after completion of the Placing.

SUPPLEMENTAL INFORMATION ON THE CHINESE LIQUOR BUSINESS

As disclosed in the Placing Announcement, half or HK\$21,290,000 of the net proceeds from the Placing is intended to be applied for the business development of the Chinese Liquor Business. In this regards, the Company would like to provide supplemental information on the details of the Chinese Liquor Business as follows:

Background information of the establishment of Guizhou Dichiwang to carry out the Chinese Liquor Business

The Company considers a precise marketing and brand planning strategy is key to succeeding in the Chinese liquor market, and therefore, the Company has been sourcing for a suitable business partner, who must have extensive experience and networks that could contribute to the marketing and branding of the Chinese Liquor Business. Mr. Wei Jian Gui (魏建桂先生), a substantial shareholder of 湖南金鎧文化傳播有限責任公司 (Hunan Jinkai Culture Communication Company Limited*) (“**Hunan Jinkai**”), is a business acquaintance of Mr. Gu Jianguo, an executive Director. Hunan Jinkai was introduced by Mr. Gu Jianguo to the Company in December 2021 with an aim to explore any co-operation opportunities in the Chinese Liquor Business. Subsequently, the Company became acquainted with Hunan Jinkai and the Company was given to understand that Hunan Jinkai is a technology-based cultural media company and has a big data empirical research team. Its business scope covers 15 provinces and 3 municipalities across the country, totaling more than 40 cities. The Company considers Hunan Jinkai is a suitable business partner for the purposes of the Chinese Liquor Business and negotiated with Hunan Jinkai on an arm’s length basis to establish Guizhou Dichiwang to commence the Chinese Liquor Business.

Hunan Jinkai is ultimately owned as to (i) approximately 29% by Mr. Wei Jian Gui (魏建桂先生); and (ii) an aggregate of approximately 71% by 58 individual shareholders each of whom ultimately owned less than 10% equity interest. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the shareholders of Hunan Jinkai has no relationship with each other, other than their respective equity interests in Hunan Jinkai.

Business model of and Company's plan on Guizhou Dichiwang

The principal business activity of Guizhou Dichiwang comprises the production and sales of Chinese liquor products.

Guizhou Dichiwang procures all necessary raw materials itself in producing the Chinese liquor products and outsources the manufacturing process to an independent wine factory to produce the Chinese liquor products via original equipment manufacturer arrangement. The Chinese liquor products of Guizhou Dichiwang comprise a comprehensive range of products with varied packaging, alcohol content, design, taste, etc targeting the young to middle-aged middle class consumer market in the PRC. Guizhou Dichiwang's Chinese liquor products are sold under "Diwang Chi" (帝王池) label mainly to wine dealers in the PRC.

The Company promotes and explores sales channels of its Chinese liquor products by (i) placing advertisements at airports, train stations and online media platforms; and (ii) hosting wine tasting events and various wine exhibitions and wine trade fairs in the PRC.

Base on the assessment of the Company, the expected capital requirement of the Chinese Liquor Business in the next twelve months will be approximately HK\$68 million which comprise, among others (i) approximately HK\$10 million for launching Chinese liquor products tasting and recommendation events in different districts in the PRC for expanding customer base and sales network; (ii) approximately HK\$40 million for procurement of raw materials; (iii) approximately HK\$8 million for general working capital of Guizhou Dichiwang including staff cost, rental expense and other office overhead; and (iv) approximately HK\$10 million for fulfillment of processing cost with the outsourced processing factory.

Reasons for and benefits of the formation of Guizhou Dichiwang to commence the Chinese Liquor Business

The Company is of the view that the commencement of the Chinese Liquor Business could enable the Group to broaden its income stream. With the assistance from Hunan Jinkai to help promoting the Chinese Liquor Business and the expertise of the management of Company and Guizhou Dichiwang in Chinese liquor industry as well as in managing and operating production plant, which could ensure a smooth and efficient communication and co-operation with the outsourced wine processing factory and to explore sales channel, the Company considers the Chinese Liquor Business would positively contribute value to the Company and its shareholders as a whole.

Details of the expertise of the senior management of the Chinese Liquor Business are as follows:

Mr. Gu Jianguo (“Mr. Gu”)

Mr. Gu is an executive Director and he is responsible for the overall management of the Chinese Liquor Business. Mr. Gu has over 18 years of experience in project and administrative management and has extensive expertise in operation and management of production plant.

Ms. Feng Xiaoning (“Ms. Feng”)

Ms. Feng is the vice president and the liquor hooking chief designer of Guizhou Dichiwang. Ms. Feng has over 40 years of experience in alcohol-related research and technology, quality management and wine tasting. Ms. Feng worked in the Distillery of China Guizhou Maotai Group at the age of 17. In 1989, she became a national-level sommelier and a wine evaluation committee member of Guizhou Province. In 2014, she was hired by the Wine Industry Association of Renhuai, Guizhou Province as the chief engineer. In 2015, she was hired as an evaluation expert by Renhuai Municipal Government. In 2016, she was appointed as a member of the wine tasting expert committee by Zunyi and Renhuai wine industry associations. In 2022, he won the awards of sauce wine craft inheritance and outstanding expert issued by Zunyi and Renhuai Wine Industry Association.

As at the date of this announcement, the Company has no intention or plan to scale down or dispose its existing principal business.

The above information is supplemental to information as contained in the Placing Announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Diwang Industrial Holdings Limited
Mr. Gu Jianguo
Executive Director

Hong Kong, 18 July 2022

As at the date hereof, the Board comprises Mr. Chen Hua, Ms. Zhu Jianqin, Mr. Gu Jianguo, Mr. Lam Kam Kong Nathaniel, Mr. Tse Chun Chung and Mr. Sun Jingang as executive Directors; Mr. Au Hei Ching, Mr. Ho Ho Tung Armen, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun as independent non-executive Director.