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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)**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 5 September 2022 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber (for itself or its nominee as the subscriber) has conditionally agreed to subscribe for 1,605,150,622 new Shares at the Subscription Price of HK\$0.50 per Subscription Share.

The Subscription Shares represent (i) approximately 20% 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 allotment and issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Subscription Shares.)

The Subscription Price is fixed at HK\$0.50 per Subscription Share, which represents:

- (i) a premium of approximately 8.70% to the closing price per Share of HK\$0.46 as quoted on the Stock Exchange on 5 September 2022, being the date of the Subscription Agreement;
- (ii) a premium of approximately 2.04% to the average closing price per Share of HK\$0.49 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement;
- (iii) a premium of approximately 2.99% to the average closing price per Share of HK\$0.486 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Subscription Agreement; and

(iv) a discount of approximately 53.62% over the unaudited net asset value per Share of approximately HK\$1.078 per Share as at 31 July 2022, with reference to the announcement of the Company dated 12 August 2022 in relation to the net asset value of the Company.

The gross proceeds from the Subscription will be HK\$802,575,311 and the net proceeds after deducting relevant expenses are expected to be approximately HK\$802,000,000. 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 (or waiver, if applicable) of the conditions precedent in the Subscription Agreement 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 OF NEW SHARES UNDER GENERAL MANDATE**

On 5 September 2022 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue and the Subscriber (for itself or its nominee as the subscriber) has conditionally agreed to subscribe for 1,605,150,622 new Shares at the Subscription Price of HK\$0.50 per Subscription Share.

### **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are set out below.

#### **Date**

5 September 2022 (after trading hours)

#### **Parties**

- (i) the Company (as issuer); and
- (ii) the Subscriber.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber (a professional investor within the meaning of section 6 of the Securities and Futures (Professional Investor) Rules (Cap. 571D)) and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **The Subscription Shares**

The Subscription Shares represent (i) approximately 20% 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 allotment and issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Subscription Shares.)

The Subscription Shares have an aggregate nominal value of HK\$160,515,062.2.

## **The Subscription Price**

The Subscription Price is fixed at HK\$0.50 per Subscription Share, which represents:

- (i) a premium of approximately 8.70% to the closing price per Share of HK\$0.46 as quoted on the Stock Exchange on 5 September 2022, being the date of the Subscription Agreement;
- (ii) a premium of approximately 2.04% to the average closing price per Share of HK\$0.49 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement;
- (iii) a premium of approximately 2.99% to the average closing price per Share of HK\$0.486 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Subscription Agreement; and
- (iv) a discount of approximately 53.62% over the unaudited net asset value per Share of approximately HK\$1.078 per Share as at 31 July 2022, with reference to the announcement of the Company dated 12 August 2022 in relation to the net asset value of the Company.

The net Subscription Price, after deduction of all relevant fees and expenses, is estimated to be approximately HK\$0.50 per Subscription Share.

The Subscription Price was arrived at an arm's length negotiations between the Company and the Subscriber with reference to the recent trading performance of the Shares, the business prospects and financial position of the Group and the current market conditions.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

## Conditions precedent to the Completion of Subscription

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

- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listing and permission on or before the Completion;
- (b) the Shares remaining listed and traded on the Main Board of the Stock Exchange at all times from the date of the Subscription Agreement to the date of the Completion, save for any temporary trading halt or suspension in trading for no longer than three (3) consecutive trading days (or such longer period as the Subscriber may agree in writing), and there being no indication from the Stock Exchange that the listing of the Shares on the Stock Exchange will be suspended, revoked or withdrawn at any time before or after the Completion, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (c) the Company's representations, warranties and undertakings under the Subscription Agreement remaining true, complete and accurate and not misleading at the Completion as if repeated at the Completion and at all times between the date of the Subscription Agreement and the Completion;
- (d) the Company having obtained from or made to (as the case may be) all relevant authorities all applicable approvals and filings in connection with the Subscription;
- (e) the Company having duly performed and observed all of the obligations, undertakings, covenants and agreements required to be performed and observed by it prior to the Completion under the Subscription Agreement;
- (f) the Subscriber having been reasonably satisfied with the results of the business, commercial, legal and financial due diligence on the Group in the Subscriber's sole discretion; and
- (g) the Subscriber's representations, warranties and undertakings under the Subscription Agreement remaining true, complete and accurate in all material respects and not misleading in any material respect at the date of the Completion as if repeated at the date of the Completion and at all times between the date of the Subscription Agreement and the date of the Completion.

Condition (a) above is not waivable by any party of the Subscription Agreement. Conditions (b) to (f) can be waived by Subscriber at any time before Completion by notice in writing to the Company. Condition (g) can be waived by the Company at any time before Completion by notice in writing to the Subscriber.

If the above conditions are not fulfilled (or waiver, if applicable) on or prior to 19 September 2022 or such later date which may be agreed by the Company and the Subscriber, the Subscription Agreement shall terminate and neither of the parties will have any claim against each other save for any liability arising out of any antecedent breach of the Subscription Agreement.

### **Completion of the Subscription**

Completion will take place within 14 business days immediately after all the conditions of the Subscription are fulfilled or waived (or such other date as the Company and the Subscriber may agree in writing).

Completion of the Subscription is subject to fulfillment (or waiver, if applicable) of the conditions precedent in the Subscription Agreement 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.

### **Ranking of the Subscription Shares**

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

### **General Mandate**

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 8,025,753,113 Shares. Accordingly, the maximum number of new Shares which can be issued pursuant to the General Mandate is 1,605,150,622 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, there is no outstanding 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 of, and permission to deal in, the Subscription Shares.

### **INFORMATION ON THE COMPANY AND THE SUBSCRIBER**

The Company is a company incorporated in the Cayman Islands with limited liability. 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.

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. The Subscriber is a wholly owned subsidiary of Blossom International. The ultimate beneficial owner of the Subscriber and Blossom International is Ms. Yang Fang. Blossom International has extensive investment and asset

management experience. Upon completion of the Subscription, the Subscriber, Blossom International and their ultimate beneficial owner (namely, Ms. Yang Fang) will become substantial shareholders of the Company and hence, connected persons of the Company.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Company is an investment company listed on the Stock Exchange under Chapter 21 of the Listing Rules, and it devotes to capture valuable investment opportunities in order to enhance the Company's profitability and create value for Shareholders. As at the date of this announcement, the Company has identified several potential investment opportunities in private equity companies engaging in computer chips design, research and development of artificial intelligence computing power, holistic medical care and total solution provider for high-end product design, manufacturing and durability testing. In the interest of portfolio diversification, the Company has been seeking investment opportunities in debt investments, bonds and funds since the second half of 2021, and has recently identified a fund with a portfolio investment comprising equity investments in sectors such as internet security software, internet, fintech, artificial intelligence, new energy, integrated circuit, green technology and entertainment and media. These potential investment opportunities are expected to contribute mid- and short-term returns to the Group.

The Board is of the view that the fund raised from the Subscription enables the Group to capture one or more of these potential investment opportunities and enhance the profitability of the Company. In addition, the Subscription can 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 Agreement to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Upon Completion, the aggregate gross proceeds of the Subscription will amount to HK\$802,575,311 and the aggregate net proceeds, after the deduction of all relevant fees and expenses, will be approximately HK\$802,000,000, representing a net Subscription Price of approximately HK\$0.50 per Subscription Share.

All net proceeds from the Subscription will be used to capture potential investment opportunities in line with the Group's investment strategy, which is comprised of three pillars, namely (i) core-holding-centered private equity investment as long-term investment, (ii) portfolio management as mid- to long-term investments, and (iii) trading and others as short-term investments.

The Company will disclose the use of proceeds from the Subscription in the interim report for the year ending 31 March 2023.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

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

<b>Event and Date</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds as of the date of this announcement</b>
Issue and allotment of 812,263,200 Shares on 19 July 2022 (date of announcement: 27 June 2022)	HK\$406 million	To capture potential investment opportunities in line with the Group's investment strategy	Used as intended
Issue and allotment of 3,152,173,913 Shares on 30 May 2022 (date of announcement: 31 December 2021)	HK\$1,499 million	To capture potential investment opportunities in accordance with the Group's investment strategy	Used as intended
Issue and allotment of 580,188,000 Shares on 25 November 2021 (date of announcement: 26 October 2021)	HK\$359.66 million	For future investment	Used as intended
Issue and allotment of 580,188,000 Shares on 3 September 2021 (date of announcement: 13 August 2021)	HK\$382.87 million	As general working capital and for future investment	Used as intended

Save as disclosed above, the Company has not conducted any equity fund raising activity within the 12-month period prior to the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 8,025,753,113 Shares in issue. Table below sets out 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	As at the date of this announcement		Immediately after Completion of Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Dr. Liu and his associates ( <i>Note 1</i> )	2,020,307,130	25.17	2,020,307,130	20.98
Bright Victory International Limited	1,442,260,870	17.97	1,442,260,870	14.98
Hong Sheng Universe Limited	812,263,200	10.12	812,263,200	8.43
Subscriber	0	0.00	1,605,150,622	16.67
Public Shareholders	3,750,921,913	46.74	3,750,921,913	38.94
Total:	<u>8,025,753,113</u>	<u>100.00</u>	<u>9,630,903,735</u>	<u>100.00</u>

Notes:

1. Dr. Liu is a connected person of the Company by virtue of him being an executive Director.

## 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 26 August 2022 in which the Shareholders had approved, among other matters, the grant of the General Mandate
“Board”	the board of Directors
“Blossom International”	Blossom International Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Company”	Wealthking Investments Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate of the Company granted to the Directors by way of passing an ordinary resolution at the AGM to, inter alia, allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the AGM, pursuant to which a maximum of 1,605,150,622 Shares may fall to be allotted and issued as at the date of this announcement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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”	Acorn Harvest Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Blossom International
“Subscription”	subscription of Subscription Shares by the Subscriber at the Subscription Price pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 5 September 2022 entered into between the Company and Subscriber in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.50 per Subscription Share
“Subscription Shares”	a total of 1,605,150,622 new Shares to be allotted and issued by the Company to the Subscriber under the Subscription Agreement

“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, 5 September 2022

*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, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai.*