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CHINA HONGBAO HOLDINGS LIMITED

中國紅包控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8316)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Hongbao Holdings Limited (the “**Company**”) dated 27 February 2023 in relation to, among other things, the Subscription (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all the conditions precedent to Completion set out in the Subscription Agreement have been fulfilled and Completion took place on 13 March 2023.

A total of 38,350,000 Subscription Shares have been issued and allotted by the Company to the Subscriber at the Subscription Price of HK\$0.730 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

The gross proceeds and net proceeds (after deducting the expenses related to the Subscription) from the Subscription are approximately HK\$28.0 million and approximately HK\$27.9 million respectively. The Company intends to apply the net proceeds from the Subscription as the general working capital of the Group (including for the repayment of indebtedness).

To the best of the Directors’ knowledge, information and belief after having made reasonable enquires, (i) the Subscriber is an Independent Third Party; and (ii) the Subscriber is not a substantial shareholder of the Company upon Completion.

EFFECT ON THE SHAREHOLDING OF THE COMPANY

The 38,350,000 Subscription Shares represent (i) approximately 4.63% of the issued share capital of the Company immediately before Completion; and (ii) approximately 4.43% of the issued share capital of the Company immediately after Completion as enlarged by the issue and allotment of the Subscription Shares.

The following table illustrates the shareholding structure of the Company immediately before Completion and immediately after Completion:

Shareholders	Immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Quantong Group Holdings Limited (“ Quantong ”) (Note 1)	599,100,000	72.35	599,100,000	69.15
The Subscriber (Ms. Chen Chunyu) (Note 2)	—	—	38,350,000	4.43
Cheng Jun (Note 3)	890,000	0.11	890,000	0.10
Other Public Shareholders	<u>228,060,000</u>	<u>27.54</u>	<u>228,060,000</u>	<u>26.32</u>
Total	<u>828,050,000</u>	<u>100.00</u>	<u>866,400,000</u>	<u>100.00</u>

Notes:

1. The 599,100,000 Shares are held by Quantong as beneficial owner. Mr. Xing Yuan beneficially owns 100% of the issued share capital of Quantong. Mr. Xing Yuan is deemed, or taken to be, interested in all the Shares held by Quantong for the purpose of the SFO.
2. The 38,350,000 Shares are held by the Subscriber as beneficial owner upon Completion. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party and is a public shareholder of the Company.
3. Mr. Cheng Jun is the chairman of the Board and an executive Director.

By order of the Board
China Hongbao Holdings Limited
Cheng Jun
Chairman and Executive Director

Hong Kong, 13 March 2023

As at the date of this announcement, the Board comprises Mr. Cheng Jun, Mr. Ji Zhendong and Mr. Yu Hua as executive Directors; and Mr. Chow Chun To, Dr. Kung Wai Chiu Marco and Ms. Wong Chi Yan as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.quantongkonggu.com.