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WAC HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Reference is made to the announcements (the “**Announcements**”) of WAC Holdings Limited (the “**Company**”) dated 2 January 2024, 18 January 2024 and 19 January 2024 in relation to the Placing. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the conditions of the Placing have been fulfilled and completion (the “**Completion**”) of the Placing took place on 31 January 2024. A total of 80,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six (6) Placees at the Placing Price of HK\$0.2521 per Placing Shares pursuant to the terms and conditions of the Placing Agreement, representing approximately 6.94% of the existing total number of issued Shares immediately before the Completion and approximately 6.49% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares immediately upon the Completion.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners (if any) are independent of and not connected or acting in concert (as defined in the Takeovers Code) with the Company, its connected persons (as defined under the GEM Listing Rules) and their respective associate (as defined under the GEM Listing Rules). None of the Placees has become a substantial Shareholder (as defined under the GEM Listing Rules) immediately upon the Completion.

Use of proceeds

The net proceeds from the Placing (after deducting placing commission, professional fees and all related expenses) amounted to approximately HK\$19.92 million will be used for:

- (i) approximately 60.0% of the net proceeds (i.e., approximately HK\$11.95 million) will be used for new business development in various potential profitable sectors, including but not limited to food and beverage related businesses, catering, entertainment, and medical beauty; and
- (ii) approximately 40.0% of the net proceeds (i.e., approximately HK\$7.97 million) will be used for general working capital.

Since the outbreak of the COVID-19 pandemic, global economic growth has been hampered, and various factors such as high inflation and global uncertainties have contributed to a downturn in economies and increased volatility in the stock and bond markets especially in Hong Kong and the People's Republic of China (the "PRC"). The ongoing tension between the PRC and the United States of America, the Russia-Ukraine war and Israeli-Palestinian conflict have further added to the challenges. In addition, uncertainties surrounding the PRC's economic growth and geopolitical environment have had a negative impact on the business environment in which the Group operates.

According to the annual reports of the Company for the year ended 31 March 2022 and 31 March 2023, the Group recorded a loss of approximately HK\$4.65 million and a profit of approximately HK\$1.87 million (representing a net profit margin of barely 2.15%), respectively. The down-trending or sluggish business performance of the Group has urged the Company to explore any business opportunities as profitable and viable as possible to maximise the shareholder interests on a sustainable but long term basis. The management of the Group is currently exploring all potential sectors, including but not limited to food and beverage related businesses, catering, entertainment, and medical beauty. Preliminary discussion with various potential vendors for potential acquisitions are underway, but no concrete plans or formal agreements have been reached as at the date of this announcement. As such, approximately 60.0% of the net proceeds (i.e., approximately HK\$11.95 million) from the Completion are initially expected to be allocated for any possible new business development which can be capitalised on more profitable opportunities.

In order to maintain sufficient internal resources to sustain the development of existing business which is highly capital-intensive, the Group plans in a prudent way with approximately 40.0% of the net proceed (i.e., approximately HK\$7.97 million) from the Completion in addition to the existing internal resources for existing business development.

Given the challenging business environment in the near future in view of the economic downturn in Hong Kong and the PRC, the Company tried to adopt a prudent approach that sufficient financial resources shall be set aside for all potential future difficulties and sudden recession if prevailing. The Board is of the view that it is important for being well-prepared to seize any opportunities for developing more new business sectors in order to improve the Group's profitability on top of the existing business.

If there are any possible acquisitions, the Company will make further announcement(s) as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

EFFECT OF PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before the Completion and upon the Completion are set out as below:

	Immediately before the Completion		Immediately after the Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Substantial Shareholders				
Manning Properties Limited				
<i>(Note 1, 2, 3)</i>	342,072,000	29.69	342,072,000	27.77
Placees <i>(Note 4)</i>	–	–	80,000,000	6.49
Public Shareholders	<u>809,928,000</u>	<u>70.31</u>	<u>809,928,000</u>	<u>65.74</u>
Total	<u><u>1,152,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,232,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan Yin Nin (“**Dr. Chan**”) and approximately 31.8% by Mr. Kwong Po Lam (“**Mr. Kwong**”), which in turn holds 342,072,000 Shares, representing approximately 29.69% of the total share capital of the Company. As the concerted group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 342,072,000 Shares held by Manning Properties Limited.
2. Ms. Julia Gower Chan is the spouse of Dr. Chan. By virtue of the SFO, Ms. Julia Gower Chan is deemed to be interested in the shares of the Company interested by Dr. Chan.
3. Ms. Leung Kwai Ping is the spouse of Mr. Kwong. By virtue of the SFO, Ms. Leung Kwai Ping is deemed to be interested in the shares of the Company interested by Mr. Kwong.

4. For illustration purposes only, according to the Placing Agreement, none of the Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company immediately upon completion of the Placing.

By Order of the Board
WAC Holdings Limited
Dr. Chan Yin Nin
Chairman

Hong Kong, 31 January 2024

As at the date of this announcement, the Board comprises Dr. Chan Yin Nin, Mr. Kwong Po Lam, Mr. Man Kwok Hing, Ms. Leung Suet Yiu and Mr. Kazuya Yanagihara as executive Directors; and Mr. Choy Wai Shek, Raymond, Mr. Sze Kyran and Ms. Siu Yuk Ming 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.

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