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**华科智能**  
WEALTHINK AI

## **WEALTHINK AI-INNOVATION CAPITAL LIMITED**

**華科智能投資有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1140)**

### **MAJOR TRANSACTION SUBSCRIPTIONS OF BONDS AND ADVANCE TO AN ENTITY**

#### **SUBSCRIPTIONS OF BONDS**

The Company, through WK Century (its wholly-owned subsidiary), subscribed for the Bonds issued by the Issuer in the respective principal amount of HK\$197,000,000, HK\$197,000,000, HK\$330,000,000, and HK\$251,000,000 on 25 and 30 May, and 5 and 8 June 2023. The aggregated consideration of the subscriptions of the Bonds amounted to HK\$975,000,000. The Bonds bore interest rate of 7.5% per annum and matured on 23 May 2024. The Bonds were fully redeemed by the Issuer on 23 May 2024.

#### **LISTING RULES IMPLICATIONS**

As the subscriptions for the Bonds were made by the Group within a 12-month period and were all made with the Issuer, pursuant to Rule 14.22 of the Listing Rules, the subscriptions would be aggregated as a series of transactions. Upon aggregating the subscriptions of the Bonds on 25 May, 30 May, 5 and 8 June 2023, as the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the subscriptions exceeds 25%, the subscriptions constituted major transaction of the Company which would have been subject to announcement, circular and shareholders' approval under Chapter 14 of the Listing Rules. As the aggregated principal amount of the subscriptions of the Bonds exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Company was also required to issue an announcement in compliance with Rules 13.13 and 13.15 of the Listing Rules.

## **SUBSCRIPTIONS OF THE BONDS**

On 25 and 30 May, and 5 and 8 June 2023, WK Century subscribed for the Bonds in the respective principal amount of HK\$197,000,000, HK\$197,000,000, HK\$330,000,000, and HK\$251,000,000. The aggregated consideration of the subscriptions of the Bonds amounted to HK\$975,000,000. The Bonds were fully redeemed by the Issuer on 23 May 2024.

The Principal terms of the Bonds are set out as follows:

Issuer:	Hong Kong Nanshan Development Ltd
Guarantee:	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the trust deed(s) constituting the Bonds
Principal amount and issue price of the First Tranche Bonds:	HK\$197,000,000 at the issue price of 100%
Principal amount and issue price of the Second Tranche Bonds:	HK\$197,000,000 at the issue price of 100%, plus interest accrued thereon from (and including) 25 May 2023 to (but excluding) 31 May 2023
Principal amount and issue price of the Third Tranche Bonds:	HK\$330,000,000 at the issue price of 100%, plus interest accrued thereon from (and including) 25 May 2023 to (but excluding) 6 June 2023
Principal amount and issue price of the Fourth Tranche Bonds:	HK\$251,000,000 at the issue price of 100%, plus interest accrued thereon from (and including) 25 May 2023 to (but excluding) 9 June 2023
Interest rate:	7.5% per annum
Maturity Date:	23 May 2024

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, the Issuer and the Guarantor are third parties independent of the Company and connected persons of the Company.

## **INFORMATION ON THE GUARANTOR AND THE ISSUER GROUP**

The Issuer was incorporated in Hong Kong as a company limited by shares on 3 April 2023 and has not been engaged, since its incorporation, in any material activities other than those in connection with the Bonds. The Issuer is a wholly-owned subsidiary of the Guarantor.

Based on the information memorandum issued in respect of the Bonds by the Issuer, the predecessor of the Guarantor was established in 1979. With the continuous development and restructuring, the Guarantor was renamed as Nanshan Group Co., Ltd in April 1996 and its registered capital was increased to RMB135 million. The Guarantor focuses on the business of aluminum, textile and apparel, construction and real estate development, and logistics. The Issuer Group is also engaged in other business sectors such as tourism, education, financing, trading, electricity and aviation. As at 31 December 2022, the Guarantor had a paid-in capital of RMB1 billion and total assets of approximately RMB179.7 billion. For the years ended 31 December 2020, 2021 and 2022, the Issuer Group reported total operating income of approximately RMB48.9 billion, RMB55.1 billion and RMB60.7 billion respectively, and net profit after tax of approximately RMB4.2 billion, RMB5.1 billion and RMB5.0 billion, respectively.

The Guarantor is owned by the Villagers Committee of Nanshan Village, Dongjiang Street, Longkou City\* (龍口市東江街道南山村村民委員會) and Mr. Song Jianbo (宋建波) as to 51% and 49%, respectively.

## **INFORMATION ON THE COMPANY**

The Company is a company incorporated in the Cayman Islands with limited liability. The Company and its subsidiaries are 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 AND BENEFITS OF THE SUBSCRIPTIONS OF THE BONDS**

The Company subscribed the Bonds for investment purpose. In view of the stable returns generated from the Bonds and having considered the background of the Guarantor and its financial performance, the Board considered that the subscriptions of the Bonds were good investments. The Board considered the terms and conditions of the Bonds were on normal commercial terms which were fair and reasonable and the subscriptions of the Bonds was in the interests of the Company and the shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the subscriptions for the Bonds were made by the Group within a 12-month period and were all made with the Issuer, pursuant to Rule 14.22 of the Listing Rules, the subscriptions would be aggregated as a series of transactions. Upon aggregating the subscriptions of the Bonds on 25 May, 30 May, 5 and 8 June 2023, as one or more of the percentage ratios (as defined in the Listing Rules) applicable to the subscriptions of the Bonds were more than 25% but are all less than 100%, the subscriptions of the Bonds constituted a major transaction of the Company under Chapter 14 of the Listing Rules and would have been subject to the reporting, announcement and shareholders' approval requirements. As the aggregated principal amount of the subscriptions of the Bonds exceeds 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the Company was also required to issue an announcement in compliance with Rules 13.13 and 13.15 of the Listing Rules.

## **RATIFICATION AND REMEDIAL ACTIONS TO BE TAKEN BY THE COMPANY**

Pursuant to Chapter 14 of the Listing Rules, the Company should have issued an announcement and sought shareholders' approval as soon as possible in respect of the subscriptions of the Bonds. The Company should also have issued an announcement in compliance with Rules 13.13 and 13.15 of the Listing Rules. The delay in compliance with the relevant requirements was due to the Company's misconception that the Company was not required to aggregate transactions under Rules 14.22 and 14.23 of the Listing Rules for major transactions. The Company's non-compliance of the Listing Rules was inadvertent and unintentional. To prevent the re-occurrence of similar incidents in the future, the Company will implement the following remedial actions:

1. the Company will enhance the training provided to the Directors, the senior management and employees of the Company on the compliance requirements of notifiable transactions;
2. the Company will remind its management and business teams to report all transactions which may constitute potential notifiable transactions to the Board for approval and assessment of the obligations under Chapter 14 of the Listing Rules prior to entering into those transactions; and
3. the Company will closely monitor the applicable percentage ratio(s) in relation to all potential notifiable transactions to ensure that the Company will be in compliance with the applicable requirements under the Listing Rules.

The Company will continue to enhance its internal control management and strengthen its compliance framework in order to avoid the re-occurrence of similar incidents.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Bonds”	the guaranteed bonds due 2024 issued by the Issuer in the respective principal amount of HK\$197,000,000, HK\$197,000,000, HK\$330,000,000, and HK\$251,000,000
“Company”	Wealthink AI-Innovation Capital Limited (formerly known as 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
“First Tranche Bonds”	The Bonds in the principal amount of HK\$197,000,000 subscribed by WK Century on 25 May 2023

“Fourth Tranche Bonds”	The Bonds in the principal amount of HK\$251,000,000 subscribed by WK Century on 8 June 2023
“Group”	the Company and its subsidiaries
“Guarantor”	Nanshan Group Co., Ltd (南山集團有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Issuer”	Hong Kong Nanshan Development Ltd
“Issuer Group”	the Issuer and its direct and indirect subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Tranche Bonds”	The Bonds in the principal amount of HK\$197,000,000 subscribed by WK Century on 30 May 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Tranche Bonds”	The Bonds in the principal amount of HK\$330,000,000 subscribed by WK Century on 5 June 2023
“WK Century”	WK Century Holdings Limited, a wholly-owned subsidiary of the Company

By order of the Board  
**Wealthink AI-Innovation Capital Limited**  
**Wang Qin**  
*Chairman*

Hong Kong, 25 July 2024

*As at the date of this announcement, the Board comprises one executive Director, namely, Dr. Liu Zhiwei; three non-executive Directors, namely Dr. Wang Qin, Dr. Fu Weigang and Dr. Wang Shibin; and three independent non-executive Directors, namely, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai.*