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If you have sold or transferred all your shares in Wealthking Investments Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

A letter from the Board is set out on pages 6 to 16 of this circular.

A notice convening the EGM to be held at 11:00 a.m. on Thursday, 17 November 2022 at Unit 810, 8/F, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong (or any adjournment or postponement thereof) is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for the EGM is enclosed with this circular. As set out in the section headed "Special Arrangements for the EGM" of this circular, the EGM will be a hybrid meeting and Shareholders may attend the EGM in person or via the e-Meeting System.

Whether or not you intend to attend the EGM in person or via e-Meeting System, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM (i.e. at or before 11:00 a.m. on Tuesday, 15 November 2022 (Hong Kong time)) or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person or via e-Meeting System.

To the extent that there are any inconsistencies between the English version and the Chinese version of this circular, the English version shall prevail.

PRECAUTIONARY MEASURES FOR THE EGM

Please see page 1 of this circular for measures being taken to prevent the spread of the coronavirus disease 2019 (COVID-19) at the EGM, including:

- compulsory for all attendees of the EGM to scan the "LeaveHomeSafe" venue QR code and comply with the requirements of the "Vaccine Pass Direction" prior to entry to the EGM venue;
- compulsory body temperature checks;
- compulsory for all attendees to wear surgical face masks; and
- no refreshment will be served and no corporate gift will be distributed.

Any person who does not comply with the precautionary measures may be denied entry into the meeting venue. The number of attendees allowed in the EGM venue is subject to the requirements and restrictions under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G). The Company hereby reminds its Shareholders that they may attend the EGM via the e-Meeting System or appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the meeting in person.

27 October 2022

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SPECIAL ARRANGEMENTS FOR THE EGM

Due to the recent development of the COVID-19 pandemic and in view of the latest Prevention and Control of Disease (Prohibition on Gathering) Regulation (Cap. 599G, laws of Hong Kong) and Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F, laws of Hong Kong) (together, the “**Regulations**”), the Board hereby announces that the EGM will be a hybrid meeting. The venue of the EGM will be at Unit 810, 8/F, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong. Shareholders may attend the EGM in person or via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

The live broadcast can broaden the reach of the EGM to Shareholders who do not wish to attend physically due to concerns on attending events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.

Through the e-Meeting System, our registered shareholders/proxies or corporate representatives will be able to view the live video broadcast and participate in voting and submitting questions online. Login details and information have been included in our letters to those parties regarding the e-Meeting System and will be posted to the Shareholders seven business days before the EGM.

How to attend and vote

Shareholders will be able to exercise their voting rights in one of the following ways:

- (1) attend the EGM in person;
- (2) attend the EGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
- (3) appoint the Chairman of the EGM as your proxy to attend and vote on your behalf via the e-Meeting System.

Your proxy’s authority and instruction will be revoked if you attend and vote at the EGM in person or via the e-Meeting System.

If you are a non-registered shareholder, you may instruct your banks, brokers or other custodians to appoint a proxy to attend and vote via the e-Meeting System for the EGM on your behalf if you wish.

Online e-Voting system will be used at the EGM to enhance the efficiency in the poll counting process. This is a full paperless EGM process that facilitates easy and intuitive voting procedures for shareholders.

SPECIAL ARRANGEMENTS FOR THE EGM

PRECAUTIONARY MEASURES FOR THE EGM

- (i) Compulsory for all attendees of the EGM to scan the “LeaveHomeSafe” venue QR code and comply with the requirements of the “Vaccine Pass Direction” prior to entry to the EGM venue;
- (ii) Compulsory body temperature checks will be conducted on every attendee. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue;
- (iii) The Company requires attendees to wear surgical face masks at all times, and to maintain a safe distance between seats; and
- (iv) No refreshments will be served and no corporate gift will be distributed.

The number of attendees allowed in the EGM venue is subject to the requirements and restrictions under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G). To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

The Company reminds all its Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, Shareholders may attend the EGM via the e-Meeting System or appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM by using proxy forms with voting instructions inserted instead of attending the EGM in person. If Shareholders have any questions about the relevant resolutions, they are welcome to contact the Company via the Investor Relations department as follows:

Investor Relation Department
Tel: (852) 2842 9688
Email: ir@wealthking.com.hk

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the EGM arrangements at short notice. Shareholders are advised to check the websites of the Company (<http://www.wealthking.com.hk>) and HKEX (www.hkexnews.hk) for the latest announcement and information relating to the EGM.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions 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 Existing General Mandate
“Announcement”	the announcement of the Company dated 3 October 2022, in relation to, inter alia, the proposed Refreshment of General Mandate
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Wealthking Investments Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Dr. Liu”	Dr. Liu Zhiwei, the executive Director, Chairman of the Board and a Substantial Shareholder of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the proposed grant of the New General Mandate
“EGM Notice”	the notice of the EGM set out on pages EGM-1 to EGM-3 of this circular
“Existing General Mandate”	the general mandate granted at the AGM to the Directors to allot, issue and deal with up to 1,605,150,622 new Shares, being 20% of the total number of issued Shares on the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, to advise the Independent Shareholders on the proposed grant of the New General Mandate

DEFINITIONS

“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate
“Independent Shareholder(s)”	for the proposed grant of the New General Mandate, Shareholders other than any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executives of the Company and all their respective associates who are required under the Listing Rules to abstain from voting at the EGM for the resolution(s) approving the grant of the New General Mandate
“Latest Practicable Date”	20 October 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the EGM
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting the New General Mandate
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Announcements”	the announcements of the Company dated 5 September 2022 and 27 September 2022 in respect of the subscription of a total of 1,605,150,622 new Shares under the Existing General Mandate

DEFINITIONS

“Substantial Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“%”	per cent



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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1140)

Executive Director:

LIU Zhiwei (*Chairman*)

Non-executive Directors:

FU Weigang

WANG Shibin

Independent non-executive Directors:

CHEN Yunming

YAN Xiaotian

ZHAO Kai

Registered office:

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

41st Floor, One Exchange Square 8

Connaught Place, Central

Hong Kong

27 October 2022

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the proposed grant of the New General Mandate.

The purpose of this circular is to provide you with (i) further details of the proposed grant of the New General Mandate; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser in relation to the proposed grant of the New General Mandate; (iv) a notice to convene the EGM; and (v) other information as required under the Listing Rules.

LETTER FROM THE BOARD

PROPOSED REFRESHMENT OF GENERAL MANDATE

The Board proposes to refresh the general mandate for the Directors to (i) allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions at the EGM; and (ii) extend the Refreshment of General Mandate to the Shares repurchased by the Company.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, all the Existing General Mandate, i.e. 1,605,150,622 Shares, has been utilised as a result of the issue and allotment of new shares for subscription under the Existing General Mandate, details of which were set out in the Subscription Announcements.

Pursuant to Rule 13.36(4) of the Listing Rules, the approval of the Refreshment of General Mandate will be subject to Independent Shareholder's approval at a general meeting of the Company.

Existing General Mandate

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 1,605,150,622 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, all the Existing General Mandate has been fully utilised as a result of the issue and allotment of new shares for subscription under Existing General Mandate, details of which were set out in the Subscription Announcements.

Proposed grant of New General Mandate

As at the Latest Practicable Date, the Existing General Mandate has been fully utilised. The Company will convene the EGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM. The Company has not refreshed the Existing General Mandate since the AGM.

LETTER FROM THE BOARD

The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 9,630,903,735 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the grant of New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company will be allowed under the New General Mandate to allot and issue up to 1,926,180,747 Shares, representing 20% of the aggregate number of the issued Shares as at the Latest Practicable Date.

Reasons for the grant of the New General Mandate

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. It is important that the Group will have readily available funds in order to capture investment opportunities in a timely manner.

In assessing the needs for the grant of the New General Mandate, the Board has considered the followings:

- (i) *The Existing General Mandate has been fully utilised*

As a result of the subscription of Shares as disclosed in the Subscription Announcements, the Existing General Mandate has been fully utilised.

As the next AGM will not be held until around August 2023, the Company will no longer have the flexibility to promptly meet fund raising opportunities for about ten months.

The grant of the New General Mandate will enable this flexibility to be reinstated. Given the current economic condition, the Company believes that it is important for the Company to have the option to raise funding at short notice if the opportunity presents itself.

LETTER FROM THE BOARD

(ii) Existing financial performance and cash position of the Group

As set out in the annual report of the Company for the twelve months ended 31 March 2022 (the “**Annual Report**”), the Group had bank and cash balances of approximately HK\$86.40 million. Based on the Annual Report, the cash flow of the Group was mainly driven by investing and financing activities, including distribution and disposal of investments, drawdown of borrowings and proceeds from issue of shares, etc.

The Directors considered that if the New General Mandate is granted, it is in the interests of the Company to raise additional capital to strengthen the cash flow position of the Group in the long run for capturing more suitable investment opportunities in a timely manner.

(iii) Potential investment opportunities

The Group’s principal business is restricted to making investments only. The Group will from time to time search for investment opportunities and those prime investment projects will generally close within a short period of time or after they obtain sufficient funds. As such, the Group was not always able to grasp those prime investment opportunities as they were either taken by other investors with readily available funds, or the investment window was closed shortly approximately 3 to 17 days due to tight investment timeframe.

As at the Latest Practicable Date, the Group has identified and is evaluating prime equity investments in private companies in the sectors of biotech pharmaceutical, artificial intelligence, TMT and clean energy, and the Group has started to raise funds in order to capture these opportunities. However, in the absence of readily available funds for investment, the chance of the Group being able to grasp these opportunities is not high given the short investment window period. As at the Latest Practicable Date, the Group has not entered into, nor planned to enter into, any agreement or negotiation for the above transactions.

As such, given the Existing General Mandate has been fully utilised, the grant of New General Mandate will empower the Group to issue new Shares under refreshed limit and provide the Group with the ability and flexibility to capture such prospective investment opportunities as and when they arise for future growth and create better return for Shareholders. In respect of the issue of Shares utilising New General Mandate, as at the Latest Practicable Date, the Group has not identified any investment targets.

(iv) Alternative financing methods

The Directors have considered other financing alternatives apart from equity financing by issuance of new Shares under general mandate such as debt financing, right issue, open offer or internal cash resources to meet the funding needs of the Group, if appropriate, taking into consideration the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

LETTER FROM THE BOARD

It is considered that the debt financing may be subject to lengthy due diligence and negotiations as compared to the equity financing available to the Directors and also the upward trend of interest rates will burden the financial conditions and cash-flow of the Group. Also, bank financing generally requires the security of properties and incurs additional interest burden on the Group, and it may also involve lengthy due diligence and negotiations, it is not the optimal financial method under prevailing market conditions. In contrast, the New General Mandate will allow the Company to have sufficient flexibility to grasp appropriate fund raising opportunities when they arise, and to avoid the uncertainties that specific mandate may not be obtained in a timely manner.

Furthermore, given the uncertainty in the market economics, especially the increasing interest rates and the Sino-US trade tensions, the Company found it difficult to ascertain market demand and to have certainty in successful equity fund raising. Although open offer and rights issue allow existing Shareholders to subscribe for their entitlements and maintain their respective shareholding interests in the Company, it may impose financial burden on the existing Shareholders in uncertain market conditions and the ultimate fund-raising size could not be assured by the Company if conducted on a non-underwritten basis. Even if the Company is successful in procuring an underwriter, the high underwriting commission will generally be a burden on the Group and may not be beneficial to the Company and the Shareholders as a whole. Also, open offer and rights issue generally require preparation of legal documentation and fulfilment of additional administrative procedures, which are more time consuming and less cost effective.

The Company has considered disposing investments for financing but chose not to do so because the investments are of great potential with reference to existing and future national policies development and market trends, which are expected to generate mid- to long-term returns.

In summary, taking into consideration that (i) the Existing General Mandate has been fully utilised and the next AGM will not be held until around ten months later; (ii) the need to maintain sufficient cash flow position of the Group for capturing suitable investment opportunities in a timely manner; and (iii) issuance of new Shares under the general mandate is less costly and time-consuming than using alternative financing methods and enables the Company to capture any capital raising in a timely manner, the Directors consider that the Refreshment of the General Mandate is in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company had no concrete plan or agreement with any party to issue Shares by utilising the New General Mandate.

LETTER FROM THE BOARD

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 Latest Practicable Date:

Event and Date	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds as of the Latest Practicable Date
Issue and allotment of 1,605,150,622 Shares on 27 September 2022 (date of announcement: 5 September 2022)	HK\$802 million	For future investment	100% of net proceeds were used for fund investment with a potential investment portfolio comprising (a) private equity investments in sectors involving internet security software, internet, fintech, artificial intelligence, new energy, integrated circuit, green technology and entertainment and media; (b) investments in private equity funds; (c) bank deposit; (d) investments in money market funds; (e) bonds; and (f) central bank bills, which is in line with the Group's investment strategy.
Issue and allotment of 812,263,200 Shares on 19 July 2022 (date of announcement: 27 June 2022)	HK\$406 million	For future investment	100% of net proceeds were used for fund investment with a potential investment portfolio comprising (a) private equity investments in sectors involving energy conservation, fintech, cultural and entertainment, new energy, Internet of Things and new generation information technology; (b) bank deposit; and (c) investments in money market funds, which is in line with the Group's investment strategy.

LETTER FROM THE BOARD

Event and Date	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds as of the Latest Practicable Date
Issue and allotment of 3,152,173,913 Shares on 30 May 2022 (date of announcement: 31 December 2021)	HK\$1,499 million	For future investment	100% of net proceeds were used for investment, including (a) approximately 58.66% was used for debt investments; (b) approximately 13.27% was used for equity commitment for a joint venture entity; and (c) approximately 28.07% was used for loans to the joint venture, which is in line with the Group's investment strategy.
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	100% of net proceeds were used for investment, including (a) approximately 35.34% was used for debt investments; (b) approximately 8.94% was used for private equity investment in an investment holding company with the investment portfolio including debt investment and equity investment in various sectors, landed properties and other assets; and (c) approximately 55.72% was used as private equity investment of interests in fintech sector.

Save as disclosed above, the Company has not conducted any equity fund raising activity within the 12-month period prior to the Latest Practicable Date.

LETTER FROM THE BOARD

Potential dilution to shareholdings of the Shareholders

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon full utilisation of the New General Mandate:

Name of Shareholder	As at Latest Practicable Date		Upon full utilisation of the New General Mandate (Note 4)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Non-Public/Connected Persons				
Dr. Liu Zhiwei and his associates (Note 1)	2,457,495,130	25.52	2,457,495,130	21.26
Bright Victory International Limited (Note 2)	1,442,260,870	14.98	1,442,260,870	12.48
Acorn Harvest Holdings Limited (Note 3)	<u>1,605,150,622</u>	<u>16.67</u>	<u>1,605,150,622</u>	<u>13.89</u>
Sub-total:	<u>5,504,906,622</u>	<u>57.17</u>	<u>5,504,906,622</u>	<u>47.63</u>
Public Shareholders	<u>4,125,997,113</u>	<u>42.83</u>	<u>4,125,997,113</u>	<u>35.70</u>
Maximum number of Shares to be issued under the New General Mandate	<u>—</u>	<u>—</u>	<u>1,926,180,747</u>	<u>16.67</u>
Total:	<u><u>9,630,903,735</u></u>	<u><u>100.00</u></u>	<u><u>11,557,084,482</u></u>	<u><u>100.00</u></u>

Notes:

1. Dr. Liu is a connected person of the Company by virtue of him being an executive Director.
2. As at the Latest Practicable Date, Bright Victory International Limited (“**Bright Victory**”) holds 1,442,260,870 Shares, representing approximately 14.98% of the total issued Shares, and hence is a Substantial Shareholder of the Company. In this regard, Bright Victory is a connected person of the Company.
3. As at the Latest Practicable Date, Acorn Harvest Holdings Limited (“**Acorn Harvest**”) holds 1,605,150,622 Shares, representing approximately 16.67% of the total issued Shares, and hence is a Substantial Shareholder of the Company. In this regard, Acorn Harvest is a connected person of the Company.
4. It is calculated based on the assumption that the grant of New General Mandate has been approved by the Shareholders at the EGM and the New General Mandate is fully utilised.

LETTER FROM THE BOARD

As at date of the AGM, the shareholding of the existing public Shareholders was approximately 46.74%. As at the Latest Practicable Date, the shareholding of the existing public Shareholders was approximately 42.83%. Immediately after full utilization of the New General Mandate, the shareholding of the existing public Shareholders will decrease from approximately 42.83% to 35.70%, representing a dilution effect of approximately 7.13%. Having considered that (i) the New General Mandate allows the Company to raise capital by allotment and issue of new Shares before the next annual general meeting of the Company; (ii) the New General Mandate provides more flexibility for financing of the Group as well as to capture quality potential investments when such opportunities arise; and (iii) issuance of new Shares under the New General Mandate is less time consuming and costly than using alternative financing methods and it may also require a substantial discount in the offer price to attract Shareholders and potential investor in open offer or rights issue, the Directors consider that the advantages of the grant of New General Mandate outweigh to a reasonable extent the aggregated dilution impact on the shareholding of the public shareholders.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(4) of the Listing Rules, the proposed grant of the New General Mandate will be subject to Independent Shareholders' approval at a general meeting of the Company. Any controlling Shareholders and their respective associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to approve the proposed grant of the New General Mandate.

As at the Latest Practicable Date, the Company had no controlling Shareholder. Dr. Liu, the executive Director, chairman of the Board and a Substantial Shareholder and his associates, holding 2,457,495,130 Shares, representing 25.52% of the total issued Shares, are required to abstain from voting at the EGM, and have indicated that they will not vote against the resolution for the proposed grant of the New General Mandate. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, save for the aforesaid, no Shareholder is required to abstain from voting on the proposed resolution on the proposed grant of the New General Mandate at the EGM.

EGM

The Company will convene the EGM at 11:00 a.m. on Thursday, 17 November 2022 at Unit 810, 8/F, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong (or any adjournment or postponement thereof) to consider and, if thought fit, approve, among other things the grant of the New General Mandate. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

LETTER FROM THE BOARD

The Board has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai to consider and, if appropriate, make a recommendation to the Independent Shareholders (i) as to whether the Refreshment of General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate.

A proxy form for use at the EGM is enclosed with this circular. As set out in the section headed “*Special Arrangements for the EGM*” of this circular, the EGM will be a hybrid meeting. All registered shareholders will be able to join the EGM in person or via the e-Meeting System to consider and, if thought fit, approve, among other things, the proposed grant of the New General Mandate.

Pursuant to Rule 13.36(4) of the Listing Rules, the grant of the New General Mandate will be subject to Independent Shareholders’ approval at a general meeting of the Company. Any controlling Shareholders and their respective associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to approve the grant of the New General Mandate. As at the Latest Practicable Date, the Company had no controlling Shareholder. As at the Latest Practicable Date, Dr. Liu and his associates control or are entitled to exercise control over the voting right in respect of a total of 2,457,495,130 Shares (representing approximately 25.52% of the issued capital of the Company) and are required to abstain from voting at the EGM under the Listing Rules. To the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, save for the aforesaid, no Shareholder is required to abstain from voting on the proposed resolution on the grant of the New General Mandate at the EGM.

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you intend to attend the EGM in person or via e-Meeting System, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. at or before 11:00 a.m. on Tuesday, 15 November 2022 (Hong Kong time)) or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person or via e-Meeting System or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 17 of this circular which contains its recommendation to the Independent Shareholders on the proposed grant of the New General Mandate. Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 18 to 36 of this circular which contains its advices to the Independent Board Committee and the Independent Shareholders in relation to the to the proposed grant of the New General Mandate.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Wealthking Investments Limited
Liu Zhiwei
Executive Director and Chairman



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)

27 October 2022

To the Independent Shareholders

THE PROPOSED GRANT OF GENERAL MANDATE

We refer to the circular of the Company to the Shareholders dated 27 October 2022 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular.

The Independent Board Committee has been established to advise the Independent Shareholders on whether the proposed grant of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board as set out on pages 6 to 16 of the Circular and the letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders, as set out on pages 18 to 36 of this circular in relation to the proposed grant of the New General Mandate.

Having taken into consideration the factors and reasons as stated in the letter from the Board, and the opinion as stated in the letter of advice from the Independent Financial Adviser, we consider that the proposed grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the proposed grant of the New General Mandate.

Yours faithfully,
Independent Board Committee
Wealthking Investments Limited

Mr. Chen Yunming
Independent
Non-Executive Director

Mr. Yan Xiaotian
Independent
Non-Executive Director

Mr. Zhao Kai
Independent
Non-Executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate, which has been prepared for the purpose of incorporation in this circular.



RAINBOW CAPITAL (HK) LIMITED
宏博資本有限公司

27 October 2022

To the Independent Board Committee and the Independent Shareholders

Wealthking Investments Limited
41/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 27 October 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

At the AGM held on 26 August 2022, the Existing General Mandate was granted by the Shareholders to the Directors to allot and issue not more than 1,605,150,622 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM. During the period from the date of grant of the Existing General Mandate and up to the Latest Practicable Date, all the Existing General Mandate has been fully utilised, where a total of 1,605,150,622 Shares, representing 100% of the Shares which can be allotted and issued under the Existing General Mandate, were allotted and issued by the Company for subscription on 27 September 2022. As at the Latest Practicable Date, there remains no Shares issuable under the Existing General Mandate. Therefore, the Board proposes to refresh the Existing General Mandate and grant the New General Mandate for the Directors to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 13.36(4) of the Listing Rules, as the proposed grant of the New General Mandate is proposed to be made before the next annual general meeting of the Company, it will be subject to Independent Shareholders' approval by way of an ordinary resolution at the EGM. Any controlling Shareholders and their respective associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution to approve the proposed grant of the New General Mandate.

As at the Latest Practicable Date, the Company had no controlling Shareholder. Dr. Liu, the executive Director, chairman of the Board and a Substantial Shareholder and his associates, were holding a total of 2,457,495,130 Shares, representing approximately 25.52% of the total issued Shares as at the Latest Practicable Date. Hence, Dr. Liu and his associates are required to abstain from voting in favour of the resolution at the EGM. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, save for the aforesaid, no Shareholder is required to abstain from voting in favour on the resolution on the proposed grant of the New General Mandate at the EGM.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai, has been established to advise the Independent Shareholders on whether the proposed grant of the New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are qualified to give independent advice in respect of the proposed grant of the New General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the proposed grant of the New General Mandate, we have taken into account the principal factors and reasons set out below:

1. Background of the proposed grant of the New General Mandate

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were authorised to, among other things, allot and issue not more than 1,605,150,622 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Subscription Announcements, the Company entered into a subscription agreement in relation to the subscription of 1,605,150,622 new Shares (the “**September 2022 Subscription**”) on 5 September 2022 and the September 2022 Subscription was completed on 27 September 2022. As such, the Existing General Mandate has been fully utilised. As at the Latest Practicable Date, the Company has not refreshed the Existing General Mandate since the date of the AGM. It is expected that the next annual general meeting of the Company (the “**2023 AGM**”) will be held in around August 2023, which is about 10 months from the date of the Circular.

As set out in the Letter from the Board, the Board proposes to convene the EGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM. The Company has not refreshed the Existing General Mandate since the AGM.

The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 9,630,903,735 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the grant of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company will be allowed under the New General Mandate to allot and issue up to 1,926,180,747 Shares, representing 20% of the aggregate number of the issued Shares as at the Latest Practicable Date.

2. Background of the Group

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 Group’s investment strategy comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others, with returns generated from interests, dividends and capital appreciation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 March 2022 as extracted from the Company's annual report for the year ended 31 March 2022 (the "2021/2022 Annual Report"):

(i) *Financial performance*

	For the year ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Dividend income	2,654	1,065
Interest revenue	91,275	109,457
Total revenue	93,929	110,522
Gross sales proceeds from disposal/redemption of investments at fair value through profit or loss ("FVTPL")	177,574	513,736
Turnover	271,503	624,258
Net change in unrealised (loss)/gain on investments at FVTPL	(266,380)	243,515
Net realised gain/(loss) on disposal/distribution of investments	5,292	(118,693)
Reversal of provision for expected credit losses	460,367	74,709
Share of profits of associate and joint venture	4,678	149,278
Profit before tax	217,160	376,669
Profit attributable to the Shareholders	221,273	372,556

Turnover of the Group was approximately HK\$271.5 million for the year ended 31 March 2022, representing a decrease of approximately 56.5% as compared to approximately HK\$624.3 million for the year ended 31 March 2021. Such decrease was mainly attributable to (a) the decrease in total revenue by approximately 15.0% as a result of the decrease in interest income due to the maturity of certain debt investments during the year; and (b) the decrease in the gross sales proceeds from disposal/redemption of investments at FVTPL by approximately 65.4%. As advised by the management of the Company, the disposal/redemption of investments is principally subject to market conditions and timing and under most circumstances it is not within control of the Group, and hence such gross sales proceeds could fluctuate significantly from year to year depending on market conditions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded profit attributable to the Shareholders of approximately HK\$221.3 million for the year ended 31 March 2022, as compared to approximately HK\$372.6 million for the year ended 31 March 2021. The reduction in net profit was primarily attributable to (a) the decrease in turnover as mentioned above; (b) the turnaround from net change in unrealised gain on investments at FVTPL of approximately HK\$243.5 million for the year ended 31 March 2021 to net change in unrealised loss on investments at FVTPL of approximately HK\$266.4 million for the year ended 31 March 2022; and (c) the decrease in share of profits of associate and joint venture by approximately HK\$144.6 million mainly due to the decrease in attributable revenue of an associate and the decrease in the value of another associate as a result of instable global economy which caused by the global outbreak of COVID-19 pandemic. Such decrease was partially offset by (a) the turnaround from net realised loss on disposal/distribution of investments of approximately HK\$118.7 million for the year ended 31 March 2021 to net realised gain on disposal/distribution of investments of approximately HK\$5.3 million for the year ended 31 March 2022 generated from the disposal of listed shares; and (b) the increase in reversal of provision for expected credit losses (“ECL”) by approximately HK\$385.7 million mainly due to the recovery of some debts and the change in the provision rate of ECL during the year.

(ii) *Financial position and cashflow*

	As at 31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Non-current assets, including:	5,173,318	2,390,106
— Investments in associates and joint ventures	688,650	705,023
— Investments at FVTPL	4,002,039	1,335,687
Current assets, including:	2,267,895	2,978,182
— Investments at FVTPL	1,215,826	2,342,097
— Debt investments	616,093	256,900
— Pledged bank deposits	20,000	—
— Bank and cash balances	86,396	66,607
Total assets	7,441,213	5,368,288
Current liabilities, including:	1,905,368	816,166
— Borrowings	1,844,969	528,603
Non-current liabilities	7,601	24,943
Total liabilities	1,912,969	841,109
Net current assets	362,527	2,162,016
Equity attributable to the Shareholders	5,528,244	4,527,179

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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	For the year ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Net cash used in operating activities	(28,458)	(54,051)
Net cash (used in)/generated from investing activities	(2,019,810)	33,713
Net cash generated from/(used in) financing activities	2,068,057	(30,443)
Net increase/(decrease) in cash and cash equivalents	19,789	(50,781)

As at 31 March 2022, total assets of the Group amounted to approximately HK\$7,441.2 million, which mainly included (a) investments in associates and joint ventures of approximately HK\$688.7 million; (b) investments at FVTPL of approximately HK\$5,217.9 million, which comprised listed equity investments, unlisted equity investments, unlisted investment funds/limited partnership and unlisted debt investments, among which a majority were unlisted equity investments; and (c) debt investments of approximately HK\$616.1 million. As at 31 March 2022, the Group had pledged bank deposits of approximately HK\$20.0 million to secure the Group's bank borrowings and bank and cash balances of approximately HK\$86.4 million. It is noted that the Group relied mainly on its investing and financing activities to maintain cash flows, primarily including proceeds on settlement of debt investments, disposal from investments, drawdown of borrowings and proceeds from issue of Shares. As advised by the management of the Company, the cashflow of the Group may fluctuate materially year on year since the disposal of investments is principally subject to market conditions and timing and it is not always within control of the Group. On the other hand, debt financing is not the preferred means of the Group in fund raising activities in view of the requirement of assets for securing the loans by most lenders and the interest burden may affect the Group's cash flow.

As at 31 March 2022, total liabilities of the Group amounted to approximately HK\$1,913.0 million, which mainly included borrowings of approximately HK\$1,845.0 million. The Group's borrowings included (a) securities margin trading borrowing from a securities company of approximately HK\$200.2 million which was secured by certain listed securities of the Group and repayable within 1 year; (b) secured borrowings from banks of approximately HK\$97.5 million which were secured by the Group's pledged bank deposits and certain interests in an associate and repayable within 1 year; (c) interest-bearing unsecured other borrowings of approximately HK\$1,471.9 million, among which (1) approximately HK\$71.9 million were bearing interest rates at a range of 8% to 16% per annum and repayable within 1 year; and (2) HK\$1,400.0 million was borrowed from a company which is ultimately controlled by Dr. Liu, the executive Director of the Company and was subsequently capitalised as share capital on 30 May 2022; and (d) non-interest-bearing unsecured other borrowings of approximately HK\$75.4 million which was for a potential investment opportunity in the PRC and repayable on demand.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 March 2022, the Group had net current assets of approximately HK\$362.5 million and equity attributable to the Shareholders of approximately HK\$5,528.2 million. Taking into account the Group's net current assets position as at 31 March 2022, the Group was in a generally healthy financial position although the bank and cash balances were relatively light as compared to the net assets value of the Group.

(iii) Overall comments

Taking into account that (a) the principal business of the Group is restricted to making investments and primarily holding unlisted equity investments, hence the Group's financial performance is sensitive to global economy, geopolitical tension, inflationary pressures and industry regulatory measures which greatly affect the capital market; (b) the outbreak of COVID-19 pandemic is expected to continue to disrupt the progress of the recovery of global economy and thus affecting the Group's financial performance; (c) given the dynamic and complex external environment and current economic condition, it is important for the Company to quickly adapt to the change and actively capturing the investment opportunities in the market; and (d) the cash position of the Group as at 31 March 2022, we consider that the Company has a need to maintain flexibility to conduct fundraising in a timely manner to cope with such uncertain macro environment. Since the Existing General Mandate has been fully utilised and can only be renewed (if not refreshed now) at the 2023 AGM which is expected to be held in around August 2023, we consider that the grant of the New General Mandate would provide the Company with an additional financing option to raise further capital to strengthen the cash position of the Group in the long run for capturing more suitable investment opportunities in a timely manner.

3. Reasons for the Refreshment of General Mandate

As disclosed in the Letter from Board, as a result of the subscription of Shares as disclosed in the Subscription Announcements, the Existing General Mandate has been fully utilised and it is expected that the next annual general meeting of the Company will be held in around August 2023. As such, the Company will no longer have the flexibility to promptly meet fund raising opportunities for about 10 months. The grant of the New General Mandate will enable this flexibility to be reinstated. Given the current economic condition, the Company believes that it is important for the Company to have the option to raise funding at short notice if the opportunity presents itself.

As disclosed in the section "2. Background of the Group" above, as an investment company listed under Chapter 21 of the Listing Rules, the Company's principal business is restricted to making investments only. The Group will from time to time search for investment opportunities and those prime investment projects will generally close within a short period of time or after they obtain sufficient funds. As such, the Group was not always able to grasp those prime investment opportunities as they were either taken by other investors with readily available funds, or the investment window was closed shortly approximately 3 to 17 days due to tight investment timeframe. For instance, the Group

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

had identified and/or became aware of over 10 prime investment opportunities in pre-IPO projects, equity acquisitions in private companies and private fund investments with fund raising size ranged from US\$15 million to US\$600 million in 2022 but was not able to grasp those investment opportunities given the funding constraint. Such losses in prime investment opportunities may adversely affect the financial performance and further growth of the Group.

As such, given the Existing General Mandate has been fully utilised, the grant of the New General Mandate will empower the Group to issue new Shares under refreshed limit and provide the Group with the ability and flexibility to capture such prospective investment opportunities as and when they arise for future growth and create better return for Shareholders. In respect of the issue of Shares utilising New General Mandate, as at the Latest Practicable Date, the Group has not identified any investment targets.

Based on the 2021/2022 Annual Report, the Group had bank and cash balances of approximately HK\$86.4 million as at 31 March 2022. As disclosed in the section headed “5. Fund raising activities of the Company during the past 12 months” below, during the past twelve months immediately prior to the Latest Practicable Date, the Company had raised net proceeds of approximately HK\$4,566.7 million in aggregate from the November 2021 Subscription (as defined below), the May 2022 Subscription (as defined below), the July 2022 Subscription (as defined below), the September 2022 Subscription and the Shareholder Loan (as defined below) (collectively, the “**Fund-raising Activities**”), which have been fully utilised for making investments in debt investments, private equities and fund investments in sectors such as medical and health, fintech, digital economy, TMT, new energy and information technology as at the Latest Practicable Date. These investments are long-term core investments in companies and mid- or short-term investments in the secondary market and debt market which are expected to contribute mid- and short-term returns to the Group.

As at the Latest Practicable Date, the Group has identified and is evaluating prime equity investments in private companies in the sectors of biotech pharmaceutical, artificial intelligence, TMT and clean energy, and the Group has started to raise funds in order to capture these opportunities. However, in the absence of readily available funds for investment, the chance of the Group being able to grasp these opportunities is not high given the short investment window period. Since a decision in respect of any fund-raising opportunities is often required to be made within a very short period of time and the net proceeds from the Fund-raising Activities have been fully utilised as at the Latest Practicable Date, we concur with the Directors that the grant of the New General Mandate will allow the Company to have the flexibility to capture any suitable fund-raising opportunities in a timely manner that may arise before the 2023 AGM in order to capture more suitable investment opportunities.

In assessing whether the Company has an imminent need to refresh the Existing General Mandate now prior to the 2023 AGM which is expected to be approximately 10 months away from the date of the Circular, we have reviewed the 2021/2022 Annual Report and discussed with the management of the Company regarding its investment strategy and portfolio construction. As advised by the management of the Group, the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

global pandemic has become a watershed year so that the wave of digitalisation is flooding, the industry structure is rapidly transforming and the geopolitical layout and economic situation is changing profoundly. As such, the Group's investment strategy has become more dynamic and static to follow the development trend of the time being, make timely adjustments, and to gradually seek progress over the long term. In order to quickly adapt to the changes and seize the opportunities, in the year ended 31 March 2022, the Group has undergone a business transformation and strategic upgrade. Its investment strategy is now comprised of three pillars, namely core-holding centered private equity, portfolio management as well as trading and others, with returns generated from interests, dividends and capital appreciation and a focus on China's fast-growing industries and the best investment opportunities. The Group is also actively exploring diversified exit channels to accelerate capital recovery and enhance the liquidity of its overall asset portfolio. The new generation of technologies represented by artificial intelligence, blockchain and big data is deeply integrated with the real economy, and its development has accelerated under the pandemic, becoming a new engine for economic development worldwide. With a deep understanding of future economic development trends, the Board has continued to accelerate the construction of a technology industry investment layout, enhance the risk management system, expand the scale of asset management and promote the implementation of new strategies in different aspects. In the subsequent three years, the Group expects to further broaden its fund-raising channels, bring in more investors who recognise the Group's strategy and tactics, and expand the scale of overall assets. The Group intends to focus on improving its investment research capabilities and will be committed to identifying and assisting the leading companies in the next generation technology wave to build a value-leading investment portfolio. Although the Group has made several fund investments the asset portfolios of which include investments in sectors of medical and health, fintech, digital economy, TMT, new energy and information technology by utilising the net proceeds from the Fund-raising Activities, it is important that the Group shall maintain sufficient financial flexibility to grasp appropriate fund raising opportunities when they arise and to avoid the uncertainties that specific mandate may not be obtained in a timely manner and adversely affects the ability to capture any appropriate investment opportunities.

As stated in the section headed "2. Background of the Group" above, the financial performance of the Group for the two years ended 31 March 2022 was adversely affected by the outbreak of COVID-19 as well as the global economy, geopolitical tension, inflationary pressures and industry regulatory measures which greatly affect the capital market. Given that (i) the outbreak of COVID-19 pandemic is expected to continue to disrupt the progress of the recovery of global economy and thus affecting the Group's financial performance; (ii) the Group's cash position of approximately HK\$86.4 million as at 31 March 2022 was relatively light as compared to the net assets value of the Group; and (iii) for the two years ended 31 March 2022, the Group recorded net cash outflows in operating activities and increased significantly in borrowings while debt financing was not the preferred means of the Group in fund raising, we consider that having the fund-raising capability through the grant of the New General Mandate is a prudent approach in maintaining the financial flexibility of the Group and therefore allowing the Group to raise additional capital to strengthen the cash position or capture suitable investment opportunities in a timely manner.

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Taking into account (i) that the Existing General Mandate has been fully utilised as at the Latest Practicable Date; (ii) the existing financial resources of the Group and the fact that the net proceeds from the Fund-raising Activities have been fully utilised as at the Latest Practicable Date; (iii) the funding requirement for the Group to capture suitable investment opportunities prior to the 2023 AGM which will be not held until about 10 months later and particularly the Group has identified and is evaluating prime equity investments as at the Latest Practicable Date; and (iv) as discussed in the section headed “4. Other financing alternatives” below, issuance of new Shares under the general mandate can better control the completion risk and is more cost-effective and time-efficient than alternative financing alternatives, we consider that the grant of the New General Mandate would provide the Company with more financial flexibility and options to raise further capital for the operation of the Group without seeking further approval from the Shareholders, which is in the interests of the Company and the Shareholders as a whole. As advised by the Directors, the Company had no concrete plan to utilise the New General Mandate as at the Latest Practicable Date.

4. Other financing alternatives

As set out in the Letter from the Board, the Directors have considered other financing alternatives apart from equity financing by issuance of new Shares under general mandate such as debt financing, rights issue, open offer, internal cash resources or the possibility of disposal/realisation of investments to meet the funding needs of the Group, if appropriate, taking into consideration the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

In respect of debt financing, it is considered that the debt financing may be subject to lengthy due diligence and negotiations as compared to the equity financing available to the Directors and also the upward trend of interest rates will burden the financial conditions and cash-flow of the Group. Also, bank financing generally requires the security of properties and incurs additional interest burden on the Group, and it may also involve lengthy due diligence and negotiations, it is not the optimal financial method under prevailing market conditions. In contrast, the New General Mandate will allow the Company to have sufficient flexibility to grasp appropriate fund raising opportunities when they arise, and to avoid the uncertainties that specific mandate may not be obtained in a timely manner. Given the time to negotiate with the banks or other lenders and that further debt financing will incur additional interest burden on the Group, we consider debt financing to be comparatively costly, uncertain and time-consuming as compared to equity financing by issuance of new Shares under general mandate for the Group to obtain additional funding.

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Furthermore, given the uncertainty in the market economics, especially the increasing interest rates and the Sino-US trade tensions, the Company found it difficult to ascertain market demand and to have certainty in successful equity fund raising. Although open offer and rights issue allow existing Shareholders to subscribe for their entitlements and maintain their respective shareholding interests in the Company, it may impose financial burden on the existing Shareholders in uncertain market conditions and the ultimate fund-raising size could not be assured by the Company if conducted on a non-underwritten basis. Even if the Company is successful in procuring an underwriter, the high underwriting commission will generally be a burden on the Group and may not be beneficial to the Company and the Shareholders as a whole. Also, open offer and rights issue generally require preparation of legal documentation and fulfilment of additional administrative procedures, which are more time consuming and less cost effective. In our view, rights issue and open offer may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate, so that rights issue and open offer would not allow the Company to satisfy its funding requirements in a timely manner if required. In addition, the discount to market price needed to be offered for subscription would have been higher for a rights issue or open offer, as compared to a share placement, so as to attract the Shareholder to further invest in the Company.

The Company has considered disposing investments for financing but chose not to do so because the investments are of great potential with reference to existing and future national policies development and market trends, which are expected to generate mid- to long-term returns. As such, disposal/realisation of investments may not be in the interests of the Company and the Shareholders as a whole.

Furthermore, as compared to issuing Shares under general mandate, issuing Shares under specific mandate when the relevant terms regarding the fundraising plan is finalised will involve extra time and cost, arising from the preparation, printing and dispatch of the relevant circular and notice of extraordinary general meeting as well as the holding and convening of extraordinary general meeting for each occasion. The Directors consider that if the Company is able to identify any suitable fund-raising opportunities with attractive terms prior to the 2023 AGM, the Board will be able to respond to the market promptly with the New General Mandate. As compared to obtaining specific mandate, the process of issuing Share under general mandate for fund raising is simpler and less lengthy which would allow the Company to avoid the uncertainties in such circumstances where approval for specific mandate may not be obtained in a timely manner.

The Directors have confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. In addition, the proposed grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have flexibility and discretion in deciding the financing methods to capture any capital raising and/or prospective investment opportunity in a timely manner. As a result, we concur with the Directors that raising funds through issue of new Shares under the New General Mandate is more flexible, cost effective and time efficient than debt financing and other alternative equity financing methods.

5. Fund raising activities of the Company during the past 12 months

During the past twelve months immediately prior to the Latest Practicable Date, the Company has carried out the following fund raising activities:

(i) Issue of new Shares on 25 November 2021

On 25 November 2021, the Company allotted and issued 580,188,000 new Shares at a subscription price of HK\$0.62 per Shares for net proceeds of approximately HK\$359.7 million pursuant to seven subscription agreements entered into with seven subscribers (the “**November 2021 Subscription**”). These new Shares were allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 18 August 2021. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of these seven subscribers was a third party independent of the Company and its connected persons (within the meaning of the Listing Rules).

As stated in the announcement of the Company dated 26 October 2021, it has been the investment policy of the Company to invest in companies with high-growth potential in order to create value for shareholders. In a volatile market, it is important that the Group has readily available funds to capture fleeting opportunities for premium investments. The Directors considered that it was in the interests of the Company to raise capital by way of equity financing in order to maintain the cash flow position of the Group for capturing suitable investment opportunities in a timely manner. The November 2021 Subscription would also enhance the capital and shareholders’ base of the Company for long-term development and further strengthen its financial position. The Directors considered the terms of the November 2021 Subscription to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The Company has seized the opportunities amidst the challenges of a complex and volatile market environment during the year ended 31 March 2022. As disclosed in the 2021/2022 Annual Report, the Company has fully utilised the proceeds from the November 2021 Subscription in (a) debt investments; (b) private equity investment in an investment holding company with the investment portfolio including debt investment and equity investment in various sectors, landed properties and other assets; and (c) private equity investment of interests in fintech sector, which is in line with the Group’s investment strategy.

(ii) Shareholder loan on 10 December 2021

On 10 December 2021, the Company entered into a shareholder loan agreement with Chunda International Capital Management Co., Ltd (“**Chunda**”) pursuant to which Chunda granted loans with principal amount of HK\$1,500 million to the Company for a period of one year (the “**Shareholder Loan**”). As disclosed in the circular of the Company dated 2 March 2022, the entire proceeds of the Shareholder Loan were used in making four investments in private equity funds relating to technology and high-end manufacturing growth, consumer goods, internet services

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and biomedical related industries, projects of courier services and lithium iron phosphate and projects of electric car services, which is in line with the Group's investment strategy and the management of the Company believes that those investments will create value for Shareholders in the mid to long run.

(iii) Issue of new Shares on 30 May 2022

On 30 May 2022, the Company allotted and issued an aggregate of 1,630,434,783 new Shares at a subscription price of HK\$0.92 per Shares for net proceeds of approximately HK\$1,499.0 million pursuant to two subscription agreements entered into with Bright Victory International Limited (“**Subscriber A**”) and Mr. Wang Delian (“**Subscriber B**”) (the “**May 2022 Subscription**”). These new Shares were allotted and issued under the specific mandate granted to the Directors at the extraordinary general meeting of the Company held on 22 March 2022. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Subscriber B was a third party independent of the Company and its connected persons (within the meaning of the Listing Rules) while Subscriber A was a connected person of the Company.

As disclosed in the circular of the Company dated 2 March 2022, it was considered that the proposed fundraising by way of the May 2022 Subscription could provide the Company with a definite amount of share capital and strengthen the Group's financial position. The intended use of proceeds from the May 2022 Subscription was consistent with the investment strategy of the Group which could enrich the investment portfolio. For Subscriber A, who was also a Substantial Shareholder of the Company, was intended to be a long-term strategic partner to the Company with continued capital support to fund the investment plans of the Group and to bring strategic value to the Company. It also showed the confidence and support of Subscriber A as the Substantial Shareholder towards the long-term development of the Company. Subscriber B was a professional investor, who has more than 10 years of investment experience in private equity investment and securities investment and has extensively participated in investment in mainland China and overseas markets. It was considered that the introduction of Subscriber B would enable the Company to leverage Subscriber B's connection in the market with high-quality investors. As at 28 February 2022, the Group has identified around fourteen investment opportunities in private equity companies and private equity funds in sectors such as artificial intelligence, big data, intelligence manufacturing, fintech, ecommerce, healthcare, new energy, games and collectibles and financial services. The Directors consider the terms of the May 2022 Subscription to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. As understood from the management of the Company, the net proceeds from the May 2022 Subscription were fully used for investments in debt investments, equity commitment for a joint venture entity and loans to the joint venture, which is in line with the Group's investment strategy.

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(iv) Issue of new Shares on 19 July 2022

On 19 July 2022, the Company allotted and issued 812,263,200 new Shares at a subscription price of HK\$0.50 per Shares for net proceeds of approximately HK\$406.0 million pursuant to a subscription agreement entered into with a subscriber (the “**July 2022 Subscription**”). These new Shares were allotted and issued under the general mandate granted to the Directors at the extraordinary general meeting of the Company held on 22 March 2022. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the subscriber and its ultimate beneficial owner were third parties independent of the Company and its connected persons (within the meaning of the Listing Rules).

As disclosed in the announcement of the Company dated 27 June 2022, the Company devoted to capture valuable investment opportunities in order to enhance the Company’s profitability and create value for Shareholders. Having considered that the business and financial activities in China are now restoring gradually in 2022 and there was a potential rebound of growth in economy, the Company was cautiously optimistic on and prospects of the securities and investment markets in China. During the course of preparing the investment plans for using the proceeds from the May 2022 Subscription, the Group has identified more investment opportunities and decided to grasp these potential investment projects after conducting due diligence. As at 27 June 2022, the Group has identified certain investment opportunities in the sectors such as environment and industrials, technology, media and telecom and debt, bonds and funds and other instruments. These potential investment opportunities are long-term core investments in companies and mid- or short-term investments in the secondary market and debt market which are expected to contribute mid- and short-term returns to the Group. The Board was of the view that the fund raised from the July 2022 Subscription enabled the Group to capture these potential investment opportunities and enhance the profitability of the Company. In addition, the July 2022 Subscription could enhance the capital and shareholders’ base of the Company for long-term development and further strengthen its financial position. The Directors considered the terms of the July 2022 Subscription to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. As understood from the management of the Company, the net proceeds from the July 2022 Subscription were fully used for fund investment with a potential investment portfolio comprising (a) private equity investments in sectors involving energy conservation, fintech, cultural and entertainment, new energy, Internet of Things and new generation information technology; (b) bank deposit; and (c) investments in money market funds, which is in line with the Group’s investment strategy.

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(v) Issue of new Shares on 27 September 2022

On 27 September 2022, the Company allotted and issued 1,605,150,622 new Shares at a subscription price of HK\$0.50 per Shares for net proceeds of approximately HK\$802.0 million pursuant to a subscription agreement entered into with a subscriber. These new Shares were allotted and issued under the Existing General Mandate granted to the Directors at the AGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the subscriber and its ultimate beneficial owner were third parties independent of the Company and its connected persons (within the meaning of the Listing Rules).

As stated in the announcement of the Company dated 5 September 2022, the Company devoted to capture valuable investment opportunities in order to enhance the Company's profitability and create value for Shareholders. As at 5 September 2022, 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 were expected to contribute mid- and short-term returns to the Group. The Board was of the view that the fund raised from the September 2022 Subscription enabled the Group to capture one or more of these potential investment opportunities and enhance the profitability of the Company. In addition, the September 2022 Subscription could enhance the capital and shareholders' base of the Company for long-term development and further strengthen its financial position. The Directors considered the terms of the September 2022 Subscription to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. As understood from the management of the Company, the net proceeds from the September 2022 Subscription were fully used for fund investment with a potential investment portfolio comprising (a) private equity investments in sectors involving internet security software, internet, fintech, artificial intelligence, new energy, integrated circuit, green technology and entertainment and media; (b) investments in private equity funds; (c) bank deposit; (d) investments in money market funds; (e) bonds; and (f) central bank bills, which is in line with the Group's investment strategy.

Saved as disclosed above, the Directors confirmed that the Company had not conducted any other fund raising activities during the past twelve months immediately prior to the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6. Potential dilution effect to the existing public Shareholders

The issue of new Shares under the New General Mandate would dilute the shareholding of the existing public Shareholders. The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the New General Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the EGM):

Shareholders	As at the		Upon full utilisation of the	
	Latest Practicable Date		New General Mandate	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Non-Public/Connected Persons				
Dr. Liu Zhiwei and his associates (<i>Note 1</i>)	2,457,495,130	25.52	2,457,495,130	21.26
Bright Victor International Limited (<i>Note 2</i>)	1,442,260,870	14.98	1,442,260,870	12.48
Acorn Harvest Holdings Limited (<i>Note 3</i>)	<u>1,605,150,622</u>	<u>16.67</u>	<u>1,605,150,622</u>	<u>13.89</u>
Sub-total	5,504,906,622	57.17	5,504,906,622	47.63
Public Shareholders	4,125,997,113	42.83	4,125,997,113	35.70
Maximum number of Shares to be issued under the New General Mandate	<u>—</u>	<u>—</u>	<u>1,926,180,747</u>	<u>16.67</u>
Total	<u><u>9,630,903,735</u></u>	<u><u>100.00</u></u>	<u><u>11,557,084,482</u></u>	<u><u>100.00</u></u>

Notes:

1. Dr. Liu is a connected person of the Company by virtue of him being an executive Director.
2. As at the Latest Practicable Date, Bright Victory International Limited (i.e. Subscriber A) holds 1,442,260,870 Shares, representing approximately 14.98% of the total issued Shares, and hence is a Substantial Shareholder of the Company. In this regard, Subscriber A is a connected person of the Company.
3. As at the Latest Practicable Date, Acorn Harvest Holdings Limited (“**Acorn Harvest**”) holds 1,605,150,622 Shares, representing approximately 16.67% of the total issued Shares, and hence is a Substantial Shareholder of the Company. In this regard, Acorn Harvest is a connected person of the Company.
4. It is calculated based on the assumption that the grant of New General Mandate has been approved by the Shareholders at the EGM and the New General Mandate is fully utilised.

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As at date of the AGM, the shareholding of the existing public Shareholders was approximately 46.74%. As illustrated in the table above, assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the EGM, the shareholding of the existing public Shareholders would be diluted from approximately 42.83% as at the Latest Practicable Date to approximately 35.70% upon full utilisation of the New General Mandate, representing a dilution effect of approximately 7.13%.

Although the New General Mandate will incur dilution effect on the shareholding of the existing public Shareholders, we concur with the view of the Directors that the potential dilution impact on the existing Shareholders to be acceptable as compared to pre-emptive fund raisings such as rights issue or open offer after taking into account that (i) the New General Mandate allows the Company to raise capital by allotment and issue of new Shares before the next annual general meeting of the Company; (ii) the New General Mandate will provide the Company more flexibility for financing of the Group as well as capability to capture any quality potential investment opportunities in a timely and effective manner when such opportunities arise; (iii) the potential dilution impact on the existing public Shareholders may be even greater if the Shareholders choose not to subscribe for the shares under the right issue or open offer; (iv) the new Shares under the New General Mandate generally cannot be allotted and issued at more than 20% discount to market while the subscription price under a rights issue or open offer would normally be set at a greater discount to the market price; and (v) issuance of new Shares under the New General Mandate is less time consuming and costly than using alternative financing methods and in particular that there is a lack of certainty in the successful implementation of a rights issue or open offer with their longer timetable.

In conducting any share placement to be made pursuant to the New General Mandate, the Directors would have a fiduciary duty to negotiate fair terms that are in the interest of the Company and the Shareholders as a whole. In deciding whether to use the New General Mandate, the Directors would take into account, among other things, the immediate funding need of the Group, the time and cost involved, and the potential dilution of shareholding of the existing public Shareholders that may be brought by any share placement. In considering any proposed share issue, the Directors would also consider the pricing and availability of opportunities for other financing alternatives such as debt financing or internal resources, with the aim to achieve an efficient capital structure of the Company.

Based on the above and given the volatility of the capital market, we consider that the refreshment of the Existing General Mandate is in the interest of the Company and the Shareholders as a whole as it would provide the Directors with the flexibility to capture any suitable equity fund raising opportunities that may arise from time to time in a timely manner.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the proposed grant of the New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the proposed grant of the New General Mandate.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and/or Short Positions in the Shares and Underlying Shares of the Company or any Associated Corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions and/or short position in shares and underlying shares of the Company:

(L) denotes Long position.

Number of ordinary shares/Underlying shares held in the Company

Name of director	Nature of Interests	Interests in shares	Interests under equity derivatives	As to % to the capital of the Company as at the Latest Practicable Date <i>(note 1)</i>
Dr. LIU Zhiwei	Beneficial owner and interest of controlled corporation	2,457,495,130 (L)	—	25.52%

Note:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 9,630,903,735 shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Shareholders' Interests and/or Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, so far as the Directors or Chief Executive of the Company are aware, the following corporation and persons other than a Director or the chief executive of the Company had an interest or a short position in the Shares and underlying Shares, which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Long positions and/or short position in shares and underlying shares of the Company:

(L) denotes long position.

(S) denotes short position.

Number of ordinary shares/Underlying shares held in the Company

Name of shareholders	Capacity in which interest are held	Interests in shares	Interests under equity derivatives	As to % to the capital of the Company as at the Latest Practicable Date <i>(note 1)</i>
ACORN HARVEST HOLDINGS LIMITED <i>(note 2)</i>	Beneficial Owner	1,605,150,622 (L)	—	16.67%
Blossom International Investment Holdings Limited <i>(note 2)</i>	Interest of controlled corporation	1,605,150,622 (L)	—	16.67%
YANG FANG <i>(note 2)</i>	Interest of controlled corporation	1,605,150,622 (L)	—	16.67%
Hong Sheng Universe Limited <i>(note 3)</i>	Beneficial Owner	812,263,200 (L)	—	8.43%

Name of shareholders	Capacity in which interest are held	Interests in shares	Interests under equity derivatives	As to % to the capital of the Company as at the Latest Practicable Date (note 1)
Chen Jiabin (note 3)	Interest of controlled corporation	812,263,200 (L)	—	8.43%
WU Gang (note 4)	Interest of controlled corporation	1,442,260,870 (L)	—	14.98%
TJIHCL (note 4)	Interest of controlled corporation	1,442,260,870 (L)	—	14.98%
TIMGCL (note 4)	Interest of controlled corporation	1,442,260,870 (L)	—	14.98%
Bright Victory (note 4)	Beneficial owner	1,442,260,870 (L)	—	14.98%

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 9,630,903,735 shares as at the Latest Practicable Date.
- (2) This represented 1,605,150,622 shares held by ACORN HARVEST HOLDINGS LIMITED (“**ACORN HARVEST**”). ACORN HARVEST is a wholly owned subsidiary of Blossom International Investment Holdings Limited (“**Blossom International**”). Blossom international is in turn beneficially wholly owned by Ms. YANG FANG (“**Ms. YANG**”). By virtue of the SFO, each of ACORN HARVEST, Blossom International and Ms. YANG is deemed to be interested in the shares and underlying shares of the Company held by ACORN HARVEST.
- (3) This represented 812,263,200 shares held by Hong Sheng Universe Limited (“**Hong Sheng**”). Mr. Chen Jiabin (“**Mr. Chen**”) owns 100% of the issued share capital in Hong Sheng. By virtue of the SFO, Mr. Chen is deemed to be interested in the shares held by Hong Sheng.
- (4) This represented 1,442,260,870 shares held by Bright Victory International Limited (“**Bright Victory**”). Bright Victory is a wholly owned subsidiary of Tong Chuang Holdings Limited (“**TCHL**”). TCHL is in turn a wholly subsidiary of Tongchuangjiuding Investment Management Group Co., Ltd. (“**TIMGCL**”) while 46.29% of the issued share capital of TIMGCL is owned by Tongchuang Jiuding Investment Holdings Co. Ltd. (“**TJIHCL**”). 35.00% of the issued share capital of TJIHCL is beneficially owned by Mr. Wu Gang. By virtue of the SFO, each of TJIHCL, TIMGCL, TCHL and Mr. Wu Gang is deemed to be interested in the shares and underlying shares of the Company held by Bright Victory.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

3. COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased, or which were proposed to be acquired, disposed of by or leased to any member of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. DIRECTORS' INTEREST IN CONTRACT

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate

- (b) As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) As at the Latest Practicable Date, the Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.
- (d) As at the Latest Practicable Date, the Independent Financial Adviser did not have any interest, direct or indirect, in any assets which have been, since 31 March 2022, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The head office and principal place of business of the Company is 41st Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (c) The secretary of the Company is Ms. Ng Sau Lai. Ms. Ng was admitted as a solicitor in Hong Kong and a solicitor in the United Kingdom in 1998 and 1999 respectively. Thereafter she worked for law firms, government department and a regulator in Hong Kong, and has extensive experience in legal and compliance matters. Ms. Ng received a LLB degree from the University of Hong Kong in 1995 and a second LLB degree from Tsinghua University in 2004. She also obtained a LLM degree from the University of California, Los Angeles in 2015.
- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Wealthking Investments Limited (“**Company**”) will be held at 11:00 a.m. on Thursday, 17 November 2022 at Unit 810, 8/F, Core F, Cyberport 3, 100 Cyberport Road, Hong Kong by way of hybrid for the following purposes:

ORDINARY RESOLUTION

1. Proposed Refreshment of General Mandate

To consider and, if thought fit, pass, with or without modifications, the following resolution as an ordinary resolution:

- (a) subject to paragraph (c) below, pursuant to the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with the additional Shares and to make or grant offers, agreements and options;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities

NOTICE OF EXTRAORDINARY GENERAL MEETING

which are convertible into Shares shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (“**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).

Yours faithfully,
By order of the Board
Wealthking Investments Limited
Ng Sau Lai
Company Secretary

Hong Kong, 27 October 2022

Registered office:
P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong:
41st Floor, One Exchange Square 8
Connaught Place, Central
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. As set out in the section headed “*Special Arrangements for the EGM*” of this circular, the EGM will be a hybrid meeting. Shareholders may attend the EGM in person or via the e-Meeting System. In addition to attending the EGM in person, Shareholders will also be able to exercise their voting rights in one of the following ways: (1) attend the EGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or (2) appoint the Chairman of the EGM as your proxy to attend and vote on your behalf via the e-Meeting System. Whether or not you intend to attend the EGM in person or via e-Meeting System, you are requested to complete the form of proxy and return it to the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM (i.e. at or before 11:00 a.m. on Tuesday, 15 November 2022 (Hong Kong time)) or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the EGM in person or via e-Meeting System.
2. A member of the Company entitled to attend and vote at the meeting above is entitled to appoint in written form one or, if he is the holder of two or more Shares of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of Shares only ONE PAIR of log-in username and password will be provided to the joint holders. Any one of such joint holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the meeting (i.e. at or before 11:00 a.m. on Tuesday, 15 November 2022 (Hong Kong time)), or any adjourned thereof.
5. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting at the EGM in person or via e-Meeting System or any adjournment thereof and in such event, the instrument appointing a proxy will be deemed to be revoked.
6. The register of the members of the Company will be closed from Monday, 14 November 2022 to Thursday, 17 November 2022, both dates inclusive, for determining shareholders’ right to attend and vote at the above meeting. In order to qualify for attending the above meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 11 November 2022.
7. This notice has been printed in English and Chinese. In the event of any inconsistency, the English text of this notice shall prevail over its Chinese text.

As at the date of this notice, 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.