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**华科资本**  
WEALTHKING INVESTMENTS

## **WEALTHKING INVESTMENTS LIMITED**

**華科資本有限公司**

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

**(Stock Code: 1140)**

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

On 17 February 2023 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers (for themselves or their nominees as the Subscribers) have conditionally agreed to subscribe for an aggregate of 889,420,770 new Shares at the Subscription Price of HK\$0.390 per Subscription Share.

The Subscription Shares represent (i) approximately 9.24% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.45% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Subscription Shares.)

The Subscription Price is fixed at HK\$0.390 per Subscription Share, which represents:

- (i) a premium of approximately 6.85% to the closing price per Share of HK\$0.365 as quoted on the Stock Exchange on 17 February 2023, being the date of the Subscription Agreements;
- (ii) a premium of approximately 5.98% to the average closing price per Share of HK\$0.368 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements;
- (iii) a premium of approximately 5.12% to the average closing price per Share of HK\$0.371 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Subscription Agreement; and

(iv) a discount of approximately 62.06% over the unaudited net asset value per Share of approximately HK\$1.028 per Share as at 31 January 2023, with reference to the announcement of the Company dated 14 February 2023 in relation to the net asset value of the Company.

The gross proceeds from the Subscription will be approximately HK\$346.87 million and the net proceeds after deducting all relevant expenses are expected to be approximately HK\$346.8 million. The net proceeds from the Subscription will be used for future investment pursuant to the investment objectives of the Company.

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the EGM.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**Completion of the Subscription is subject to fulfillment (or waiver, if applicable) of the conditions precedent in the Subscription Agreements and the Subscription may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

On 17 February 2023 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers (for themselves or their nominees as the Subscribers) have conditionally agreed to subscribe for an aggregate of 889,420,770 new Shares at the Subscription Price of HK\$0.390 per Subscription Share.

## **THE SUBSCRIPTION AGREEMENT**

The principal terms of each Subscription Agreement are substantially the same. Set out below are the key terms of the Subscription Agreements.

### **Date**

17 February 2023

### **Parties**

- (i) the Company (as issuer); and
- (ii) the Subscribers

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscribers (and where applicable, their ultimate beneficial owners) are Independent Third Parties and Professional Investors. Each of the Subscribers is independent from, not connected or associated with, and not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures

Commission of Hong Kong) with one another or any of the Directors, chief executive or substantial Shareholders of the Company and any of its subsidiaries and their respective associates.

### **The Subscription**

The Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 889,420,770 new Shares at the Subscription Price of HK\$0.390 per Subscription Share. The number of Subscription Shares to be subscribed for by each Subscriber is set out below:

<b>Subscribers</b>	<b>Number of Subscription Share</b>
Subscriber I	384,615,385
Subscriber II	384,615,385
Subscriber III	58,640,000
Subscriber IV	26,380,000
Subscriber V	23,450,000
Subscriber VI	<u>11,720,000</u>
Total:	<u><u>889,420,770</u></u>

### **The Subscription Shares**

The Subscription Shares represent (i) approximately 9.24% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.45% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Subscription Shares.)

The Subscription Shares have an aggregate nominal value of HK\$88,942,077.

### **The Subscription Price**

The Subscription Price is fixed at HK\$0.390 per Subscription Share, which represents:

- (i) a premium of approximately 6.85% to the closing price per Share of HK\$0.365 as quoted on the Stock Exchange on 17 February 2023, being the date of the Subscription Agreements;
- (ii) a premium of approximately 5.98% to the average closing price per Share of HK\$0.368 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements;
- (iii) a premium of approximately 5.12% to the average closing price per Share of HK\$0.371 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Subscription Agreement; and

- (iv) a discount of approximately 62.06% over the unaudited net asset value per Share of approximately HK\$1.028 per Share as at 31 January 2023, with reference to the announcement of the Company dated 14 February 2023 in relation to the net asset value of the Company.

The net Subscription Price, for consistency, is estimated to be approximately HK\$0.390 per Subscription Share.

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

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

### **Conditions precedent to the Completion of Subscription**

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

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

(g) the Subscribers' representations, warranties and undertakings under the Subscription Agreements remaining true, complete and accurate in all material respects and not misleading in any material respect at the date of the Completion as if repeated at the date of the Completion and at all times between the date of the Subscription Agreements and the date of the Completion.

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

If the above conditions are not fulfilled (or waiver, if applicable) on or prior to 17 March 2023 or such later date which may be agreed by the Company and the Subscribers, the Subscription Agreements shall terminate and neither of the parties will have any claim against each other save for any liability arising out of any antecedent breach of the Subscription Agreements.

### **Completion of the Subscription**

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

**Completion of the Subscription is subject to fulfillment (or waiver, if applicable) of the conditions precedent in the Subscription Agreements and the Subscription may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

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

### **General Mandate**

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the EGM. At the EGM, the total number of Shares in issue was 9,630,903,735 Shares. Accordingly, the maximum number of new Shares which can be issued pursuant to the General Mandate is 1,926,180,747 Shares (representing 20% of the issued share capital of the Company as at the date of the EGM), which has not been utilized since the date of the EGM. The issue of the Subscription Shares pursuant to the General Mandate is not subject to the approval of the Shareholders. After Completion, the outstanding Shares which may be allotted and issued pursuant to the General Mandate are 1,036,759,977 Shares.

### **Application for listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **INFORMATION ON THE COMPANY**

The Company is a company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in investment in a diversified portfolio of investments in listed and unlisted enterprises thereby to achieve earnings in the form of medium to long term capital appreciation.

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

The market generally expects that the PRC government's reopening policy will boost growth prospects for the PRC economy. As a cross-border investor with a focus on PRC's fast-growing industries and the best investment opportunities, it is important that the Company can react proactively and timely in capturing premium investment opportunities result from the economic rebound in order to create value for shareholders. As at the date of this announcement, the Company has identified several potential investment opportunities in private equity companies engaging in industrial artificial intelligence, smart lithium-ion battery total solution, research and development of cell immunotherapy, automotive batteries recycling, DNA sequencing technology and information technology solution. The Company is evaluating these potential investment targets, but none of the investments have been confirmed. To enhance portfolio diversification, the Company is also exploring investment opportunities in listed securities, debt investments, bonds and funds.

The Directors consider that it is 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. In addition, the Subscription can enhance the capital and shareholders' base of the Company for long-term development and further strengthen its financial position. The Directors (including the independent non-executive Directors) consider the terms of the Subscription Agreements to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Upon Completion, the aggregate gross proceeds of the Subscription will amount to approximately HK\$346.87 million and the aggregate net proceeds, after the deduction of all relevant fees and expenses, will be approximately HK\$346.8 million, representing a net Subscription Price of approximately HK\$0.390 per Subscription Share.

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

Subject to the availability of investment opportunities identified and market conditions, it is expected that the proceeds will be used within 3 months. The Company will disclose the use of proceeds from the Subscription in the annual report for the year ending 31 March 2023.

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

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

<b>Event and Date</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds as of the date of this announcement</b>
Issue and allotment of 1,605,150,622 Shares on 27 September 2022 (date of announcement: 5 September 2022)	HK\$802 million	To capture potential investment opportunities in line with the Group's investment strategy	Used as intended
Issue and allotment of 812,263,200 Shares on 19 July 2022 (date of announcement: 27 June 2022)	HK\$406 million	To capture potential investment opportunities in line with the Group's investment strategy	Used as intended
Issue and allotment of 3,152,173,913 Shares on 30 May 2022 (date of announcement: 31 December 2021)	HK\$1,499 million	To capture potential investment opportunities in line with the Group's investment strategy	Used as intended

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



## EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 9,630,903,735 Shares in issue. Table below sets out the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after Completion of the Subscription:

Name of Shareholder	As at the date of this announcement		Immediately after Completion of Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Connected persons or substantial Shareholders</b>				
Dr. Liu and his associates (Note 1)	2,461,279,130	25.56	2,461,279,130	23.40
Acorn Harvest Holdings Limited	1,605,150,622	16.67	1,605,150,622	15.26
Bright Victory International Limited	<u>1,268,260,870</u>	<u>13.16</u>	<u>1,268,260,870</u>	<u>12.05</u>
Sub-total:	<u>5,334,690,622</u>	<u>55.39</u>	<u>5,334,690,622</u>	<u>50.71</u>
<b>Public</b>				
Subscriber I	—	—	384,615,385	3.66
Subscriber II	—	—	384,615,385	3.66
Subscriber III	—	—	58,640,000	0.56
Subscriber IV	—	—	26,380,000	0.25
Subscriber V	—	—	23,450,000	0.22
Subscriber VI	—	—	11,720,000	0.11
Other public Shareholders	<u>4,296,213,113</u>	<u>44.61</u>	<u>4,296,213,113</u>	<u>40.83</u>
Sub-total:	<u>4,296,213,113</u>	<u>44.61</u>	<u>5,185,633,883</u>	<u>49.29</u>
Total	<u><u>9,630,903,735</u></u>	<u><u>100.00</u></u>	<u><u>10,520,324,505</u></u>	<u><u>100.00</u></u>

Note:

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



## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Company”	Wealthking Investments Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 17 November 2022 in which the Shareholders had approved the grant of the General Mandate
“General Mandate”	the general mandate of the Company granted to the Directors by way of passing an ordinary resolution at the EGM to, inter alia, allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the EGM, pursuant to which a maximum of 1,926,180,747 Shares may fall to be allotted and issued as at the date of this announcement
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	in the case of an individual, means a person who is a third party independent of the Company and its connected persons (within the meaning of the Listing Rules); in the case of a company, means the company and its ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons (within the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“Professional Investor”	in the case of an individual, means a professional investor within the meaning of section 5 of the Securities and Futures (Professional Investor) Rules (Cap. 571D); in the case of a company, means a professional investor within the meaning of section 6 of the Securities and Futures (Professional Investor) Rules (Cap. 571D)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	the subscriber of 384,615,385 Subscription Shares under the Subscription Agreement I, a Professional Investor and an Independent Third Party
“Subscriber II”	the subscriber of 384,615,385 Subscription Shares under the Subscription Agreement II, a Professional Investor and an Independent Third Party
“Subscriber III”	the subscriber of 58,640,000 Subscription Shares under the Subscription Agreement III, a Professional Investor and an Independent Third Party
“Subscriber IV”	the subscriber of 26,380,000 Subscription Shares under the Subscription Agreement IV, a Professional Investor and an Independent Third Party
“Subscriber V”	the subscriber of 23,450,000 Subscription Shares under the Subscription Agreement V, a Professional Investor and an Independent Third Party
“Subscriber VI”	the subscriber of 11,720,000 Subscription Shares under the Subscription Agreement VI, a Professional Investor and an Independent Third Party
“Subscribers”	collectively, Subscriber I, Subscriber II, Subscriber III, Subscriber IV, Subscriber V and Subscriber VI
“Subscription”	subscription of Subscription Shares by the Subscribers at the Subscription Price pursuant to the Subscription Agreements
“Subscription Agreement I”	the subscription agreement dated 17 February 2023 entered into between the Company and Subscriber I in respect of the Subscription of 384,615,385 Subscription Shares

“Subscription Agreement II”	the subscription agreement dated 17 February 2023 entered into between the Company and Subscriber II in respect of the Subscription of 384,615,385 Subscription Shares
“Subscription Agreement III”	the subscription agreement dated 17 February 2023 entered into between the Company and Subscriber III in respect of the Subscription of 58,640,000 Subscription Shares
“Subscription Agreement IV”	the subscription agreement dated 17 February 2023 entered into between the Company and Subscriber IV in respect of the Subscription of 26,380,000 Subscription Shares
“Subscription Agreement V”	the subscription agreement dated 17 February 2023 entered into between the Company and Subscriber V in respect of the Subscription of 23,450,000 Subscription Shares
“Subscription Agreement VI”	the subscription agreement dated 17 February 2023 entered into between the Company and Subscriber VI in respect of the Subscription of 11,720,000 Subscription Shares
“Subscription Agreements”	collectively, Subscription Agreement I, Subscription Agreement II, Subscription Agreement III, Subscription Agreement IV, Subscription Agreement V and Subscription Agreement VI
“Subscription Price”	the subscription price of HK\$0.390 per Subscription Share
“Subscription Shares”	a total of 889,420,770 new Shares to be allotted and issued by the Company to the Subscribers under the Subscription Agreements
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“%”	per cent

By Order of the Board  
**Wealthking Investments Limited**  
**Liu Zhiwei**  
*Executive Director and Chairman*

Hong Kong, 17 February 2023

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