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**CHINA WANTIAN HOLDINGS LIMITED**

**中國萬天控股有限公司**

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

**(Stock Code: 1854)**

**PROPOSED RIGHTS ISSUE ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY FIVE EXISTING SHARES  
HELD ON THE RECORD DATE**

**Financial Adviser to the Company**



**Underwriter of the Rights Issue**



**PROPOSED RIGHTS ISSUE**

The Company proposes to raise, before expenses, not less than approximately HK\$111.4 million (assuming no change in the number of Shares in issue on or before the Record Date), by way of the Rights Issue of issuing up to 309,504,000 Rights Shares and not more than approximately HK\$111.7 million (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date), by way of the Rights Issue of issuing up to 310,244,000 Rights Shares, at the Subscription Price of HK\$0.36 per Rights Share, on the basis of one (1) Rights Share for every five (5) existing Shares held by the Qualifying Shareholders on the Record Date.

The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be not less than approximately HK\$101.7 million (assuming no change in the number of Shares in issue on or before the Record Date) and not more than approximately HK\$102.0 million (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date). Details of how the net proceeds from the Rights Issue will be used are set out in the section headed “Reasons for the Rights Issue and Use of Proceeds” below in this announcement.

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must on the Record Date: (i) be registered as a member of the Company; and (ii) not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates and/or instruments of transfer) with the Registrar for registration not later than 4:30 p.m. on Thursday, 11 May 2023. Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every five (5) existing Shares held by the Qualifying Shareholders on the Record Date.

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

The Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue as at the date of this announcement.

## **THE UNDERWRITING AGREEMENT**

On 11 April 2023 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement, whereby, subject to the terms and conditions thereof, in particular the fulfilment of the conditions contained therein, the Underwriter has conditionally agreed to underwrite the Underwritten Shares of not less than 309,504,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 310,244,000 Rights Shares (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date). The Rights Issue is fully underwritten by the Underwriter. Details of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” below in this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the Rights Issue will not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement and the Rights Issue is fully underwritten by the Underwriter, who is not a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to the Shareholders' approval under the Listing Rules.

## **GENERAL**

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents, which contain, among others, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only but will not send the PAL and the EAF to them.

## **WARNING ON THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**Shareholders and potential investors of the Company should note that the Underwriter has the right in certain circumstances to terminate the Underwriting Agreement in accordance with the terms thereof, a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" below in this announcement. Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholders or other persons dealing in the Shares and/or the Rights Shares in nil-paid form up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 10 May 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 23 May 2023 to Wednesday, 31 May 2023 (both dates inclusive).**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares in nil-paid form. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.**

## PROPOSED RIGHTS ISSUE

The Company proposes to raise, before expenses, not less than approximately HK\$111.4 million (assuming no change in the number of Shares in issue on or before the Record Date), by way of the Rights Issue of issuing up to 309,504,000 Rights Shares and not more than approximately HK\$111.7 million (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date), by way of the Rights Issue of issuing up to 310,244,000 Rights Shares, at the Subscription Price of HK\$0.36 per Rights Share, on the basis of one (1) Rights Share for every five (5) existing Shares held by the Qualifying Shareholders on the Record Date. The details of the Rights Issue are set out as follows:

### Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every five (5) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.36 per Rights Share
Number of Shares in issue as at the date of this announcement	:	1,547,520,000 Shares
Number of Rights Shares	:	Not less than 309,504,000 Rights Shares <sup>(Note 1)</sup> and not more than 310,244,000 Rights Shares <sup>(Note 2)</sup>
Number of Shares in issue immediately upon completion of the Rights Issue	:	Not less than 1,857,024,000 Shares <sup>(Note 1)</sup> and not more than 1,861,464,000 Shares <sup>(Note 2)</sup>
Gross proceeds from the Rights Issue	:	Not less than approximately HK\$111.4 million <sup>(Note 1)</sup> and not more than approximately HK\$111.7 million <sup>(Note 2)</sup>
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment
Underwriter	:	RaffAello Securities (HK) Limited
Number of Rights Shares underwritten by the Underwriter	:	The Rights Issue is fully underwritten by the Underwriter

*Notes:*

1. Calculated and based on the assumption that there is no change in the number of Shares in issue from the date of this announcement up to and including the Record Date.
2. Calculated and based on the assumption that there is no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, from the date of this announcement up to and including the Record Date.

As at the date of this announcement, save for the unexercised share options granted by the Company pursuant to the Share Option Scheme and the Outstanding Consideration Shares pursuant to the Share Acquisition, the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

### **Rights Shares**

Based on the existing issued share capital of the Company as at the date of this announcement, and:

- (a) assuming that there is no change in the number of Shares in issue from the date of this announcement up to and including the Record Date, the 309,504,000 Rights Shares to be allotted and issued pursuant to the Rights Issue represent (i) 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares; and
- (b) assuming that there is no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, from the date of this announcement up to and including the Record Date, the 310,244,000 Rights Shares to be allotted and issued pursuant to the Rights Issue represent (i) approximately 20.05% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by (1) the allotment and issue of the Rights Shares; and (2) the issue of Shares upon full exercise of the Outstanding Share Options.

### **Subscription Price**

The Subscription Price is HK\$0.36 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 41.94% to the closing price of HK\$0.620 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 40.00% to the average closing price of HK\$0.600 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 37.82% to the average closing price of HK\$0.579 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 37.61% to the theoretical ex-rights price of approximately HK\$0.577 per Share based on the closing price of HK\$0.620 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a premium of 3.5 times over the net asset value per Share of approximately HK\$0.08 per Share based on the latest published unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$124.4 million as at 30 September 2022 as set out in the interim report of the Company for the six months ended 30 September 2022 and the total number of issued Shares of 1,547,520,000 Shares as at the date of this announcement; and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 6.99% of the theoretical diluted price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.577 per Share to the benchmarked price of HK\$0.620 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price of HK\$0.620 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of HK\$0.586 per Share).

During the 12-month period immediately preceding the date of this announcement, the Company has not undertaken (whether by reference to the date of agreement or announcement or the date of commencement of dealing of shares) any rights issue, open offer or specific mandate placing. The theoretical diluted price, the benchmarked price and theoretical dilution effect (all defined under Rule 7.27B of the Listing Rules) for the Rights Issue are approximately HK\$0.577 per Share, HK\$0.620 per Share and 6.99%, respectively. The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price and trading liquidities of the Shares under the prevailing market conditions; (ii) the latest business performance and the financial condition of the Group; and (iii) the reasons for and benefits of the Rights Issue as set out in the section headed "Reasons for the Rights Issue and Use of Proceeds" in this announcement.

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its shareholding in the Company held on the Record Date, the Board is of the view that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimising possible dilution impact. The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The estimated net price per Rights Share after deducting the related expenses of the Rights Issue is approximately HK\$0.329 (whether (i) assuming no change in the number of Shares in issue on or before the Record Date; or (ii) assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date).

### **Undertaking**

The Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue as at the date of this announcement.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfilment of the following conditions:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong of the Prospectus Documents in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;



- (iii) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms; and
- (iv) the Underwriting Agreement not being terminated in accordance with the terms thereof on or before the Latest Time for Termination.

The Company shall use its reasonable endeavours to procure the fulfilment of all the above conditions by the Latest Time for Termination or such other time as the Company and the Underwriter may agree.

If the conditions set out in paragraphs (i) to (iv) above are not fulfilled by the Latest Time for Termination or such other time as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate (save and except for the provisions regarding fees, notices and governing law and jurisdiction which shall remain in full force and effect) and no party thereto shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share for every five (5) existing Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up his/her/its entitlement under the Rights Issue in full, his/her/its shareholding in the Company will be diluted.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Closure of register of members**

The register of members of the Company will be closed from Friday, 12 May 2023 to Thursday, 18 May 2023, both dates inclusive, to determine entitlements of the Qualifying Shareholders to participate in the Rights Issue. No transfer of Shares will be registered during this period.



## **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date.

To qualify for the Rights Issue, a Shareholder must on the Record Date (i) be registered as a member of the Company; and (ii) not be a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates and/or instruments of transfer) with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 May 2023.

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 9 May 2023. The Shares will be dealt with on an ex-rights basis from Wednesday, 10 May 2023.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Monday, 5 June 2023.

## **Non-Qualifying Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. The Company notes the requirements specified in section 140 of the Companies Ordinance and Rule 13.36(2)(a) of the Listing Rules and will only exclude from the Rights Issue the Overseas Shareholders whom the Directors, after making enquiries, consider it necessary or expedient to exclude on account of either the legal restrictions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus. The Company will not offer the Rights Shares to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders. The Company will, subject

to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders, if any, for their information only but the Company will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in the nil-paid Rights Shares end, if a premium in excess of all expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their respective entitlements on the Record Date and round down to the nearest cent) in Hong Kong dollars, provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not less than HK\$100. In view of administrative costs, the Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders, if any, would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 13.36(2)(a) of the Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

**The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

#### **Application for excess Rights Shares**

Qualifying Shareholders are entitled to apply for, by way of excess application:

- (i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders, if any;

- (ii) any of the Rights Shares created by aggregating fractions of the Rights Shares; and
- (iii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares

(collectively referred to as “**Untaken Rights**”).

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for. The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) subject to availability of the excess Rights Shares, any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (c) no preference will be given to applications for topping up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (d) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder of the Company or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for. Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

In the event that the Board notices unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company (the “**Registered Nominee**”) as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess Rights Shares. Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date.

Investors whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 11 May 2023 as the last day for transfer. The register of members of the Company will be closed from Friday, 12 May 2023 to Thursday, 18 May 2023, both dates inclusive.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, Tricor Investor Services Limited, on or before the Latest Time for Acceptance.

### **Fractions of the Rights Shares**

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed “Application for excess Rights Shares” under the section headed “Proposed Rights Issue” in this announcement. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares will be taken up by the Underwriter. No odd lot matching services will be provided.

## **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those who have accepted and applied for and paid for the Rights Shares on or before Tuesday, 13 June 2023 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful applications for the Rights Issue, refund cheques are expected to be posted on or before Tuesday, 13 June 2023 by ordinary post to the applicants at their own risk.

## **Application for listing of the Rights Shares**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The nil-paid Right Shares shall have the same board lot size as the Shares, i.e. 10,000 Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Future Commission transaction levy, and any other applicable fees and charges in Hong Kong.

## REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in (i) food supply; (ii) catering; and (iii) environmental protection and technology.

As stated in the announcement of the Company dated 29 March 2023, it is expected that the Group will record a net loss of approximately HK\$27 million for the year ended 31 March 2023 as compared to a net loss of approximately HK\$11 million for the year ended 31 March 2022. The Group's management believes that it is essential to boost the Group's revenue and profit margin and to diversify its businesses for a sustainable development. In addition, following the establishment of the Group's Greater Bay Area headquarters, more capital resources are crucial to the development of its businesses in the area in order to capture the flourishing market opportunities and further expand its principal businesses.

The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be not less than approximately HK\$101.7 million (assuming no change in the number of Shares in issue on or before the Record Date) and not more than approximately HK\$102.0 million (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue in the following manner:

- (i) approximately 30% of the net proceeds will be used for financing the launching of a live cattle breeding site project;
- (ii) approximately 25% of the net proceeds will be used for financing the development of live cattle trading business;
- (iii) approximately 10% of the net proceeds will be used for financing the expansion of fresh food supply business;
- (iv) approximately 10% of the net proceeds will be used for financing the development of catering business;
- (v) approximately 10% of the net proceeds will be used for the repayment of outstanding borrowings;
- (vi) approximately 5% of the net proceeds will be used for the enhancement and upgrading of offices in the Greater Bay Area; and
- (vii) approximately 10% of the net proceeds will be used as the general working capital of the Group, including but not limited to, staff costs, rental, professional fees and other overhead expenses in Hong Kong.



### **Launching of a live cattle breeding site project**

The Group intends to expand its business to related upstream supply chain business by operating a live cattle breeding site in the PRC. Approximately 30% of the net proceeds will be used to support the operation of a live cattle breeding site, including breeding site initial set up cost, purchasing of live cattle and feed, rental and staff costs. Considering the rising shortage of live cattle in the PRC, the Board believes that the project will diversify the Group's income streams and boost its revenue and profit margin. In the long run, while the Group's beef cattle business connects upstream and downstream industries in the PRC market, stronger business synergies will be created along the value chain, thus catalysing the Group's business growth. As at the date of this announcement, the Group has not entered into any definitive and/or legally binding agreements or contracts in respect of the project.

### **Development of live cattle trading business**

To expedite the development of live cattle trading business as well as to enhance the market share in the industry in the PRC, the Group intends to use approximately 25% of the net proceeds as working capital for increasing the trading volume of the live cattle and establishing a live cattle supply digital platform. The digital platform will adopt a systematic approach to provide management support in multiple areas, including sales, orders, delivery routes, settlement and statistics, thus delivering cutting-edge solutions for the industry with advanced digital technology.

### **Expansion of fresh food supply business**

Fresh food supply business is one of the Group's principal businesses. In late 2022, the Group completed the acquisition of Shenzhen Wealth Source Trading Development Company Limited, a domestic fresh food supply chain service provider in the PRC. The acquisition marks the Group's expansion of its fresh food ingredient business into the Greater Bay Area market. To foster its fresh food supply business, approximately 10% of the net proceeds will be used as working capital for increasing the trading volume of the fresh food supply so as to strengthen its core competency.

### **Development of catering business**

The Group has diversified its fresh food supply business to the downstream by setting up restaurants in the Greater Bay Area since 2022, with a particular focus on Zhongshan City. The catering business provides a stable distribution channel for its upstream business and meanwhile, it helps achieve full integration along the value chain by rapidly expanding Wantian Catering's footprint in the Greater Bay Area within a short period of time. The Group intends to use approximately 10% of the net proceeds to set up additional restaurants in Zhongshan City.



## Enhancement and upgrading of offices in the Greater Bay Area

In May 2022, the Group established its Greater Bay Area headquarters in Shenzhen, marking its official debut in the Greater Bay Area market. The Group also maintains an office in Zhongshan City. To cater for and to support the business development and continuous expansion of the Group, approximately 5% of the net proceeds will be used for the renovation of the existing offices in Shenzhen and Zhongshan City as well as the recruitment of additional employees.

The Board is of the view that the Rights Issue will enable the Group to strengthen its business competitiveness as well as its capital base for the purpose of capturing suitable investment opportunities as and when they arise.

Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares so as to encourage the Shareholders to participate in the Rights Issue and reduce the possible dilution of approximately 16.67% to the shareholding of the existing Shareholders in case they decide not to take up their entitlements under the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective shareholdings in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.**

The Board considers it to be prudent to finance the Group's long-term growth by way of long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to, debt financing, placing and open offer. The Board is of the view that debt financing is not desirable as it will result in additional interest burden and higher gearing ratio of the Group, which will have a negative impact on the profitability of the Group in the future. Besides, the Company may not be able to achieve debt financing on favourable terms in a timely manner. As for placing of new Shares, it is relatively smaller in scale as compared to fund raising through a rights issue. Also, it would inevitably lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them an opportunity to participate in the enlarged capital base of the Company. As for open offer, while it is similar to a rights issue in that Qualifying Shareholders are offered an opportunity to participate, unlike a rights issue, it does not allow free trading of rights entitlements in the open market, which would allow the Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective shareholdings in the Company by taking up only their respective rights entitlements, acquiring additional rights entitlements or disposing of their rights entitlements in the open market, subject to availability.

In view of the above, the Board considers that raising funds by way of the Rights Issue is beneficial to the Company and the Shareholders as a whole.

## **THE UNDERWRITING AGREEMENT**

The principal terms of the Underwriting Agreement are as follows:

Date	:	11 April 2023 (after trading hours)
Issuer	:	The Company
Underwriter	:	RaffAello Securities (HK) Limited
Number of Underwritten Shares	:	Not less than 309,504,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 310,244,000 Rights Shares (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date)
Underwriting commission	:	7.07% of the aggregate subscription amount in respect of the Rights Shares pursuant to the Underwriting Agreement, being the gross proceeds from the Rights Issue

The Underwriter is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent of the Company and its connected persons. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, the existing financial condition of the Group, the size of the Rights Issue and the current and expected market condition. The Board (including the independent non-executive Directors) considers that the terms of the Rights Issue (including the commission rate) are fair and reasonable so far as the Company and the Shareholders are concerned.

Pursuant to the Underwriting Agreement, the Underwriter undertakes to use its best endeavours to ensure that (i) each of the sub-underwriters, subscribers and purchasers of the Underwritten Shares procured by it shall be an Independent Third Party; and (ii) none of the sub-underwriters, subscribers and purchasers, together with any party(ies) acting in concert (within the meaning of the Takeovers Code) with it, will hold such number of Shares that will trigger a mandatory general offer obligation under the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue.

The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

The Underwriter has undertaken to the Company that, among others, other than the transactions contemplated under the Underwriting Agreement and as disclosed in this announcement and/or as will be disclosed in the Prospectus Documents, unless with the prior consent of the Company, the Underwriter and its associates shall not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (i) the sub-underwriting of the Rights Shares; and/or (ii) the subscription of the Underwritten Shares not taken up, so long as such transactions are in compliance with applicable laws and regulations.

Subject to the fulfilment of all the conditions set out in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription for the Underwritten Shares pursuant to the terms and conditions of the Underwriting Agreement.

### **Conditions of the Underwriting Agreement**

The conditions of the Underwriting Agreement have been set out in the section headed "Proposed Rights Issue – Conditions of the Rights Issue" above.

## Termination of the Underwriting Agreement

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, inter alia:

- (a) in the reasonable opinion of the Underwriter, the business or the financial or trading position or the prospects of the Group or the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
  - (ii) the occurrence of (1) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before or after the date hereof) of a political, military, financial, economic or currency or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange for more than ten consecutive Business Days (other than any suspension in connection with the clearance of this announcement, the Prospectus Documents or other announcements or circulars or any other documents relating to the Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by a relevant authority or a material disruption in commercial banking or securities settlement or clearing services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof;
- (b) any change in the circumstances of the Company or any member of the Group occurs which, in the reasonable opinion of the Underwriter, will materially and adversely affect the prospects of the Company, including without limitation, the presentation of a petition or the passing of a resolution for the liquidation or winding-up or similar events occurring in respect of any member of the Group or the destruction of any material asset of the Group;
- (c) any event of force majeure occurs, including without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, pandemic outbreak, terrorism, armed conflict, strike or lock-out;
- (d) there occurs the commencement by any third party of any litigation or claim against any member of the Group which is material to the Group taken as a whole;

- (e) any other material adverse change in relation to the business or the financial or trading position of the Group as a whole occurs;
- (f) the Company commits a material breach of the Underwriting Agreement where, in the reasonable opinion of the Underwriter, such material breach will or is likely to have a material and adverse effect on the business or the financial or trading position of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue;
- (g) the Underwriter receives notification from the Company of, or otherwise becomes aware of, the fact that any representation or warranty of the Company as set out in the Underwriting Agreement was, when given, untrue, inaccurate or would be untrue or inaccurate if repeated on the Latest Time for Termination, and the Underwriter shall, in its reasonable discretion, determine that untrue or inaccurate representation or warranty represents or is likely to represent a material adverse change in the business or the financial or trading position of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue;
- (h) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused; or
- (i) any statement contained in this announcement or any of the Prospectus Documents has been shown to be untrue, inaccurate, incomplete in any material respect or misleading with reference to the date on which such statement was made.

Upon the giving of notice referred to above by the Underwriter, all obligations of each of the parties to the Underwriting Agreement shall cease and no party thereto shall have any claim against the other party for costs, damages, compensation or otherwise in respect of any matter arising out of or in connection with the Underwriting Agreement save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is so terminated.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The tables below set out the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming all Rights Shares are subscribed for by the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and the Rights Shares underlying all the Untaken Rights are subscribed for by or through the Underwriter.

- (a) The changes in the shareholding structure of the Company arising from the Rights Issue are as follows (assuming no change in the number of Shares in issue on or before the Record Date) for illustrative purposes only:

	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and the Rights Shares underlying all the Untaken Rights are subscribed for by or through the Underwriter <sup>(Note 1)</sup>	
	<i>Approximate</i> No. of Shares	%	<i>Approximate</i> No. of Shares	%	<i>Approximate</i> No. of Shares	%
Ace Source <sup>(Note 2)</sup>	927,080,000	59.91	1,112,496,000	59.91	927,080,000	49.92
Classic Line <sup>(Note 3)</sup>	200,000,000	12.92	240,000,000	12.92	200,000,000	10.77
Dr. Hooy <sup>(Note 4)</sup>	15,000,000	0.97	18,000,000	0.97	15,000,000	0.81
Mr. Zhong <sup>(Note 4)</sup>	7,660,000	0.49	9,192,000	0.49	7,660,000	0.41
<b>Public Shareholders</b>						
- The Underwriter <sup>(Note 5)</sup>	-	-	-	-	309,504,000	16.67
- Other public Shareholders	397,780,000	25.71	477,336,000	25.71	397,780,000	21.42
<b>Total</b>	<b>1,547,520,000</b>	<b>100.00</b>	<b>1,857,024,000</b>	<b>100.00</b>	<b>1,857,024,000</b>	<b>100.00</b>

*Notes:*

1. Assuming no excess applications are made by the Qualifying Shareholders.
2. Ace Source is beneficially owned as to 81% by China Wantian International, which is beneficially owned as to 60% by Dr. Hooy and 40% by Mr. Zhong, respectively. Dr. Hooy is an executive Director, chairman of the Board and a controlling shareholder of the Company. Mr. Zhong is an executive Director, chief executive officer and a controlling shareholder of the Company.
3. Classic Line is wholly and beneficially owned by Mr. Liu. Mr. Liu is an executive Director, vice-chairman of the Board and a substantial shareholder of the Company.
4. These 15,000,000 Shares and 7,660,000 Shares are beneficially owned by Dr. Hooy and Mr. Zhong, respectively.
5. In the event that the Underwriting Agreement becomes unconditional and the Underwriter is called upon to subscribe for or procure subscription of the Underwritten Shares pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that:
  - (a) without affecting the Underwriter's obligation to underwrite all the Underwritten Shares (whether to underwrite the same by itself or to procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue;
  - (b) the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters, subscribers and purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) shall not, together with any party acting in concert (within in the meaning of the Takeovers Code) with it, hold such number of Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue; and
  - (c) the Underwriter shall ensure that the minimum public float requirement under the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.
6. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.



- (b) The changes in the shareholding structure of the Company arising from the Rights Issue are as follows (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date) for illustrative purposes only:

	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and the Rights Shares underlying all the Untaken Rights are subscribed for by or through the Underwriter <sup>(Note 1)</sup>	
	<i>Approximate</i> No. of Shares	<i>Approximate</i> %	<i>Approximate</i> No. of Shares	<i>Approximate</i> %	<i>Approximate</i> No. of Shares	<i>Approximate</i> %
Ace Source <sup>(Note 2)</sup>	927,080,000	59.91	1,112,496,000	59.76	927,080,000	49.80
Classic Line <sup>(Note 3)</sup>	200,000,000	12.92	240,000,000	12.89	200,000,000	10.74
Dr. Hooy <sup>(Note 4)</sup>	15,000,000	0.97	18,000,000	0.97	15,000,000	0.81
Mr. Zhong <sup>(Note 4)</sup>	7,660,000	0.49	9,192,000	0.49	7,660,000	0.41
<b>Public Shareholders</b>						
– The Underwriter <sup>(Note 5)</sup>	–	–	–	–	310,244,000	16.67
– Other public Shareholders <sup>(Note 6)</sup>	397,780,000	25.71	481,776,000	25.89	401,480,000	21.57
<b>Total</b>	<b>1,547,520,000</b>	<b>100.00</b>	<b>1,861,464,000</b>	<b>100.00</b>	<b>1,861,464,000</b>	<b>100.00</b>

*Notes:*

1. Assuming no excess applications are made by the Qualifying Shareholders.
2. Ace Source is beneficially owned as to 81% by China Wantian International, which is beneficially owned as to 60% by Dr. Hooy and 40% by Mr. Zhong, respectively. Dr. Hooy is an executive Director, chairman of the Board and a controlling shareholder of the Company. Mr. Zhong is an executive Director, chief executive officer and a controlling shareholder of the Company.
3. Classic Line is wholly and beneficially owned by Mr. Liu. Mr. Liu is an executive Director, vice-chairman of the Board and a substantial shareholder of the Company.
4. These 15,000,000 Shares and 7,660,000 Shares are beneficially owned by Dr. Hooy and Mr. Zhong, respectively.

5. In the event that the Underwriting Agreement becomes unconditional and the Underwriter is called upon to subscribe for or procure subscription of the Underwritten Shares pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that:
  - (a) without affecting the Underwriter's obligation to underwrite all the Underwritten Shares (whether to underwrite the same by itself or to procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue;
  - (b) the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters, subscribers and purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) shall not, together with any party acting in concert (within in the meaning of the Takeovers Code) with it, hold such number of Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue; and
  - (c) the Underwriter shall ensure that the minimum public float requirement under the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.
6. The Outstanding Consideration Shares, which will not be allotted and issued by the Company on or before the Record Date, are not taken into account in the Shares held by other public Shareholders. For details, please refer to the section headed "Outstanding Consideration Shares under the Share Acquisition" in this announcement.
7. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The public float requirements under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and is subject to change. Any such change will be announced in a separate announcement by the Company as and when appropriate. All dates and times specified in this announcement refer to Hong Kong local dates and times.

**2023**

Last day of dealing in the Shares on a cum-rights basis	Tuesday, 9 May
First day of dealing in the Shares on an ex-rights basis	Wednesday, 10 May
Latest time for lodging transfers of Shares in order to be qualified for the Rights Issue	4:30 p.m., Thursday, 11 May
Register of members of the Company closes (both dates inclusive)	Friday, 12 May to Thursday, 18 May
Record Date for determining entitlements to the Rights Issue	Thursday, 18 May
Register of members of the Company re-opens	Friday, 19 May
Despatch of the Prospectus Documents (in case of Non-Qualifying Shareholders, the Prospectus only)	Friday, 19 May
First day of dealing in nil-paid Rights Shares	Tuesday, 23 May
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Thursday, 25 May
Last day of dealing in nil-paid Rights Shares	Wednesday, 31 May
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m., Monday, 5 June

Latest time for termination of the Underwriting Agreement and for the Rights Issue to become unconditional (if applicable) . . . . . 4:00 p.m., Tuesday, 6 June

Announcement of results of acceptance of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company . . . . . Monday, 12 June

Despatch of certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated or for unsuccessful applications for the Rights Issue) . . . . . Tuesday, 13 June

First day of dealing in the fully-paid Rights Shares . . . . . Wednesday, 14 June

**Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares**

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Monday, 5 June 2023 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or Extreme Conditions, and if such circumstances are:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m., Monday, 5 June 2023, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

## **OUTSTANDING CONSIDERATION SHARES UNDER THE SHARE ACQUISITION**

References are made to the announcements of the Company dated 7 November 2022 and 25 November 2022. On 7 November 2022, the Company announced an acquisition of all the issued shares of Champion Point from the vendor (the “**Share Acquisition**”) through the entering into of a share purchase agreement dated 7 November 2022 by its direct wholly-owned subsidiary being the purchaser and the vendor, who is an Independent Third Party. Pursuant to the share purchase agreement, the Company shall allot and issue up to 91,660,000 Shares to the vendor as consideration for the transaction. As at the date of this announcement, the number of Shares to be allotted and issued by the Company to the vendor is up to 82,500,000 Shares (the “**Outstanding Consideration Shares**”), subject to the consideration adjustment pursuant to the share purchase agreement. The Outstanding Consideration Shares will not be allotted and issued by the Company to the vendor on or before the Record Date.

## **POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

The Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the unexercised share options under the Share Option Scheme. The Company will notify the holders of such unexercised share options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made, if any, pursuant to the terms of the Share Option Scheme and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). As at the date of this announcement, there are 52,740,000 unexercised share options granted by the Company pursuant to the Share Option Scheme, out of which 3,700,000 share options are exercisable on or before the Record Date (the “**Outstanding Share Options**”). The Outstanding Share Options are exercisable into 3,700,000 Shares.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, (i) each of Dr. Hooy and Mr. Zhong beneficially owns 927,080,000 Shares through Ace Source as their controlled corporation, representing approximately 59.91% of the issued share capital of the Company and a controlling shareholder of the Company; (ii) each of Dr. Hooy and Mr. Zhong beneficially owns 15,000,000 Shares and 7,660,000 Shares, respectively, representing approximately 0.97% and approximately 0.49% of the issued share capital of the Company, respectively; and (iii) Mr. Liu beneficially owns 200,000,000 Shares through Classic Line as his controlled corporation, representing approximately 12.92% of the issued share capital of the Company and a substantial shareholder of the Company. As such, each of Ace Source, Dr. Hooy, Mr. Zhong, Classic Line and Mr. Liu is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. According to Rule 14A.92(1) of the Listing Rules, the issue of the Rights

Shares to each of Ace Source, Dr. Hooy, Mr. Zhong, Classic Line and Mr. Liu according to their pro-rata entitlement under the Rights Issue constitutes an exempt connected transaction of the Company.

As the Rights Issue will not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement and the Rights Issue is fully underwritten by the Underwriter, who is not a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to the Shareholders' approval under the Listing Rules.

## **GENERAL**

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents, which contain, among others, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only but will not send the PAL and EAF to them.

## **WARNING ON THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**Shareholders and potential investors of the Company should note that the Underwriter has the right in certain circumstances to terminate the Underwriting Agreement in accordance with the terms thereof, a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" below in this announcement. Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholders or other persons dealing in the Shares and/or the Rights Shares in nil-paid form up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 10 May 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 23 May 2023 to Wednesday, 31 May 2023 (both dates inclusive).**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares in nil-paid form. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.**

## DEFINITIONS

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

“Ace Source”	Ace Source Holdings Limited, a limited liability company incorporated in the British Virgin Islands, the issued shares of which are beneficially owned as to 81% by China Wantian International, and is a controlling shareholder of the Company
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for normal banking business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a “black rainstorm” warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Champion Point”	Champion Point Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, and is an indirect wholly-owned subsidiary of the Company following the completion of the Share Acquisition
“China Wantian International”	China Wantian International Group Limited, a company incorporated in Hong Kong with limited liability and is beneficially owned as to 60% and 40% respectively by Dr. Hooy and Mr. Zhong, and is a controlling shareholder of the Company
“Classic Line”	Classic Line Holdings Limited, a limited liability company incorporated in the British Virgin Islands, the issued shares of which are wholly-owned by Mr. Liu, and is a substantial shareholder of the Company
“close associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time



“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Company”	China Wantian Holdings Limited (中國萬天控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1854)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“controlled corporation(s)”	has the meaning as ascribed thereto under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“controlling shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Hooy”	Dr. Hooy Kok Wai, an executive Director, chairman of the Board and a controlling shareholder of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
“Extreme Conditions”	the extreme conditions the government of Hong Kong may announce in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who are not connected persons of the Company and its subsidiaries and who are independent of the Company and connected persons of the Company

“Last Trading Day”	11 April 2023, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 5 June 2023 or such other time as may be agreed between the Company and the Underwriter, being the latest time for application for, acceptance and payment in respect of the provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on Tuesday, 6 June 2023 or such later time as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning as ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Chi Ching, an executive Director, vice-chairman of the Board and a substantial shareholder of the Company
“Mr. Zhong”	Mr. Zhong Xueyong, an executive Director, the chief executive officer and a controlling shareholder of the Company
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) to whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Outstanding Consideration Shares”	as defined in the paragraph headed “Outstanding Consideration Shares under the Share Acquisition” in this announcement
“Outstanding Share Options”	the outstanding share options to subscribe for an aggregate of up to 3,700,000 Shares granted under the Share Option Scheme which are exercisable on or before the Record Date
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue

“Overseas Shareholder(s)”	Shareholder(s) whose address on the register of members of the Company is outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 19 May 2023 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 18 May 2023 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of one (1) Rights Share for every five (5) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	not less than 309,504,000 Shares and not more than 310,244,000 Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue, and each being a <b>“Rights Share”</b>
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Share Acquisition”	as defined in the paragraph headed “Outstanding Consideration Shares under the Share Acquisition” in this announcement
“Share Option Scheme”	the share option scheme adopted by the Company on 26 September 2016
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.36 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as may be amended from time to time
“Underwriter”	RaffAello Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 11 April 2023 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	the Rights Shares, being not less than 309,504,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 310,244,000 Rights Shares (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date) to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent

By order of the Board  
**China Wantian Holdings Limited**  
**Hooy Kok Wai**  
*Chairman and Executive Director*

Hong Kong, 11 April 2023

*As at the date of this announcement, the Board comprises Dr. Hooy Kok Wai, Mr. Liu Chi Ching and Mr. Zhong Xueyong as executive Directors; and Ms. Lui Choi Yiu Angela, Mr. Leung Sui Chung and Mr. Siu Chun Pong Raymond as independent non-executive Directors.*