

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL AGREEMENT TO THE SHARE PURCHASE AGREEMENT FOR DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF SALE SHARES OF THE TARGET COMPANY

Reference is made to the announcement of China Wantian Holdings Limited (the “**Company**”) dated 7 November 2022 in respect of the entering into of the Share Purchase Agreement between Great Point Limited as the Purchaser and Mr. Kwong Ping Man as the Vendor for the acquisition of all the issued shares of Champion Point Limited (the “**Target Company**”) involving the issue of 91,660,000 Consideration Shares under general mandate (the “**Announcement**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Acquisition Completion took place on 25 November 2022 in accordance with the terms of the Share Purchase Agreement. As at the date of this announcement, 36,650,000 Consideration Shares (comprising the 9,160,000 and 27,490,000 Consideration Shares, being the first tranche of the Consideration Shares and the Second Tranche Consideration Shares respectively) were allotted and issued by the Company to the Vendor for the purposes of settling part of the consideration of the Acquisition at the Issue Price of HK\$0.48 per Consideration Share, representing approximately 1.92% of the total issued share capital of the Company.

In light of the business development and corporate restructuring of the Target Group subsequent to the Acquisition Completion, the Group and the Vendor further discussed the business prospects of the Target Group and on 12 January 2024 (after trading hours), the Purchaser and the Vendor entered into a supplemental share purchase agreement (the “**Supplemental Agreement**”), pursuant to which the parties have agreed to amend certain terms of the Share Purchase Agreement, which mainly relate to the calculation and payment mechanism of the Third Tranche Consideration Shares.

THE SUPPLEMENTAL AGREEMENT

Date

12 January 2024

Parties

- (1) Great Point Limited (富源有限公司), a direct wholly-owned subsidiary of the Company;
and
- (2) Mr. Kwong Ping Man, an individual who is an Independent Third Party.

Amendments to the Share Purchase Agreement

Both parties entered into the Supplemental Agreement to amend the terms of the Share Purchase Agreement as follows:

Scope of net profit

For the purpose of the allotment and issue of the Third Tranche Consideration Shares to the Vendor, the scope of net profit after tax (excluding any extraordinary or exceptional items) to be considered shall be changed from “the net profit of the PRC Company” to “the net profit of the Target Group”, where the Target Group comprises the Target Company, the HK Company, the PRC Company together with its subsidiaries.

The reference financial period

The reference financial period for determining the consideration adjustment for the Third Tranche Consideration Shares shall be changed from the period “1 April 2023 to 31 March 2024” to “from 1 April 2023 to 30 June 2024” (the “**New Reference Financial Period**”). Accordingly, the target net profit after tax of RMB7,500,000 to be achieved by the PRC Company for the 12-month period (the “**2024 Target Net Profit**”) will be adjusted and increased proportionately to RMB9,375,000 for the 15-month period (the “**2024 Adjusted Target Net Profit**”), which is to be achieved by the Target Group.

The minimum profit percentage for entitlement to the Third Tranche Consideration Shares

The minimum profit percentage for the Vendor’s entitlement to the Third Tranche Consideration Shares shall be changed from “85% of the 2024 Target Net Profit” to “100% of the 2024 Adjusted Target Net Profit”.

All other principal terms of the Share Purchase Agreement as disclosed in the Announcement remain unchanged.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Target Group is principally engaged in the trading of live cattle, food ingredients and aquatic products in the PRC and Hong Kong. The PRC Company was its major operating subsidiary at around the time of the Acquisition. Taking into account the need to maintain or even enhance its competitiveness in the long run, the Group considered it necessary to diversify the green food supply of the Target Group. As such, trading of pork, durians, eggs and sugar was gradually added to the trading scope of the Target Group. Given that such food categories involved have been growing in number, for the purposes of better administration and more efficient management, the PRC Company has established a number of subsidiaries, each of which is responsible for different types of green food trading businesses. As at the date of this announcement, a total of five (5) subsidiaries have been established in the PRC, namely 中山萬天食至佳貿易有限公司 (Zhongshan Wantian Shizhijia Trading Company Limited*), 中山萬天綠色佳果貿易有限公司 (Zhongshan Wantian Green Jiaguo Trading Company Limited*), 中山萬天綠色佳品貿易有限公司 (Zhongshan Wantian Green Jiapin Trading Company Limited*), 中山萬天綠色食材貿易有限公司 (Zhongshan Wantian Green Shicai Trading Company Limited*) and 中山萬天綠色凍品貿易有限公司 (Zhongshan Wantian Green Dongpin Trading Company Limited*). These new operating subsidiaries have engaged in trading of pork, durians and eggs since around October 2023. In addition, the Hong Kong Company commenced its sugar trading business in November 2023.

Pursuant to the Share Purchase Agreement, the allotment and issue of the Third Tranche Consideration Shares to the Vendor is subject to the financial performance of the PRC Company for the year ending 31 March 2024. The Board is of the view that such criterion no longer reflects the current trading situation of the Target Group given its business development and corporate restructuring, and that the financial performance of all the operating subsidiaries in the PRC as well as the Hong Kong Company should be taken into consideration. Therefore, to make the financial criterion in respect of the Third Tranche Consideration Shares more reflective of the current trading situation, the Purchaser and the Vendor have agreed to amend the relevant terms by entering into the Supplemental Agreement such that the allotment and issue of the Third Tranche Consideration Shares to the Vendor is subject to the financial performance of the Target Group.

In addition, during the time when the Purchaser and the Vendor entered into the Share Purchase Agreement in late November 2022, global supply chains and world economy remained affected and hindered by the recurring outbreaks of COVID-19 and geopolitical uncertainties. Taking this into account, the Purchaser agreed to provide a flexibility in the profit percentage requirement in that the Second Tranche Consideration Shares were to be allotted and issued to the Vendor if at least 85% of the 2023 Target Net Profit was achieved and the amount of the Second Tranche Consideration Shares to be allotted and issued would be subject to the amount of the 2023 Net Profit. Given that the impact of COVID-19 has gradually been receding, the Board is of the view that a heightening of the profit percentage requirement for the Third Tranche Consideration Shares would be appropriate for the current situation. As such, the Purchaser and the Vendor have agreed to change the profit percentage requirement from 85% of the 2024 Target Net Profit to 100% of the 2024 Adjusted Target Net

Profit. The Vendor shall only be entitled to the Third Tranche Consideration Shares if the net profit after tax for the New Reference Financial Period equals to or exceeds the 2024 Adjusted Target Net Profit. Considering that the profit percentage requirement will be heightened, the Board is of the view that it would be reasonable and desirable to allow a relatively longer reference financial period for determining the Vendor's entitlement to the Third Tranche Consideration Shares. As such, the Purchaser and the Vendor have agreed to fix a 15-month period for such purposes.

The terms of the Supplemental Agreement were determined after arm's length negotiations between the Purchaser and the Vendor. The Directors consider the terms of the Supplemental Agreement to be fair and reasonable and on normal commercial terms, and are of the view that the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition under the Share Purchase Agreement constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and was announced by the Company on 7 November 2022. The Supplemental Agreement constitutes a material variation to such discloseable transaction and this announcement is made in accordance with Rule 14.36 of the Listing Rules.

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

Hong Kong, 12 January 2024

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

* *The English name is not the official name and is translated for reference purposes only.*