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## **DIWANG INDUSTRIAL HOLDINGS LIMITED**

### **帝王實業控股有限公司**

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

**(Stock Code: 1950)**

## **RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

References are made to the prospectus (the “**Prospectus**”) of Diwang Industrial Holdings Limited (the “**Company**”) dated 9 June 2023 and the announcement (the “**Announcement**”) of the Company dated 3 July 2023 in relation to, among other things, the Rights Issue and the Placing. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

### **RESULTS OF THE RIGHTS ISSUE AND THE PLACING**

As disclosed in the Announcement, as at 4:00 p.m. on Monday, 26 June 2023, being the Latest Time for Acceptance, a total of 1 valid acceptance and application had been received for a total of 1,128,309 Rights Shares, representing approximately 0.26% of the total number of Rights Shares offered under the Rights Issue. As at the Record Date, there were no Non-Qualifying Shareholders and the number of the NQS Unsold Shares is nil. Based on the above results of valid acceptances and applications, the total number of Untaken Shares subject to the compensatory arrangements under Rule 7.21(1) of the Listing Rules shall be 430,871,691 Rights Shares. The Company has, pursuant to Rule 7.21(1)(b) of the Listing Rules, made the compensatory arrangements by entering into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Untaken Shares in accordance with the terms of the Placing Agreement.

The Board wishes to announce that at 6:00 p.m. on Friday, 14 July 2023, being the Placing End Date, all the 430,871,691 Untaken Shares were successfully placed at the price of HK\$0.67 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available for distribution to the No Action Shareholders under the Placing.

As all the conditions with respect to the Rights Issue and the Placing as set out in the Prospectus have been fulfilled, the Rights Issue and the Placing became unconditional at 4:10 p.m. on Monday, 17 July 2023.

Based on the results of acceptance of the Rights Issue and the results of the Placing, the Rights Shares to be allotted and issued amounted to 432,000,000 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is an Independent Third Party; and (ii) none of the placees has become a substantial Shareholder immediately upon completion of the Placing.

Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$289.44 million and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$286.55 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as to (A) approximately HK\$228.55 million (representing approximately 79.8% of the net proceeds) for the development of the Chinese Liquor Business of which (i) approximately HK\$20 million (representing approximately 7% of the net proceeds) in setting up four ancient-Chinese-style bistros in the PRC; (ii) approximately HK\$8.55 million (representing approximately 3% of the net proceeds) for the working capital in operating the above-mentioned four bistros upon their opening; (iii) approximately HK\$100 million (representing approximately 34.9% of the net proceeds) for building the brand of the Group's Chinese baijiu products by launching sizeable advertising campaigns across different districts in the PRC; and (iv) approximately HK\$100 million (representing approximately 34.9% of the net proceeds) for payment of manufacturing costs to the wine factory including (a) cost of raw materials; (b) processing fee; and (c) packaging fee for the production of the Group's Chinese baijiu products; and (B) approximately HK\$58 million (representing approximately 20.2% of the net proceeds) to support the Faux Leather Chemicals Business.

## SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue and the Placing:

Shareholder	Immediately before completion of the Rights Issue and the Placing		Immediately after completion of the Rights Issue and the Placing	
	Number of Shares	Approximate (%) (Note 3)	Number of Shares	Approximate (%) (Note 3)
Zheng Xiuyue (Note 1)	52,000,000	18.06	52,000,000	7.22
Sunlight Global Investment Limited (Note 2)	3,600,400	1.25	3,600,400	0.50
Lilian Global Investment Limited (Note 2)	2,400,400	0.83	2,400,400	0.33
<b>Public Shareholders:</b>				
Placees	–	–	430,871,691	59.84
Other public Shareholders	229,999,200	79.86	231,127,509	32.10
<b>TOTAL</b>	<b>288,000,000</b>	<b>100.00</b>	<b>720,000,000</b>	<b>100.00</b>

Note(s):

1. A substantial shareholder (as defined in the Listing Rules) of the Company.
2. As at the date of this announcement, to the best knowledge of the Directors, Sunlight Global Investment Limited (“**Sunlight Global**”) and Lilian Global Investment Limited (“**Lilian Global**”) held approximately 1.25% and approximately 0.83%, respectively, of the total issued share capital of the Company. Sunlight Global is owned as to 61.20% by Mr. Chen Hua, 13.24% by Ms. Zhu Jianqin, 13.24% by Mr. Li Xiangyu, 9.24% by Mr. He Zhangcai, 2.14% by Mr. Chen Yong, 0.54% by Mr. Cai Jianming and 0.40% by Mr. Zhao Xuesheng. Lilian Global is wholly-owned by Ms. Liu Jing, the spouse of Mr. Chen Hua. Ms. Liu is therefore deemed to be interested in the Shares in which Lilian Global is interested under the SFO. As at the Latest Practicable Date, Mr. Chen Hua, Ms. Zhu Jianqin, Mr. Li Xiangyu, Mr. He Zhangcai, Mr. Zhao Xuesheng, Mr. Cai Jianming and Mr. Chen Yong are entitled to exercise or control the exercise of approximately 1.25% of the voting power at general meetings of the Company through exercising or controlling the exercise of the entire voting power at general meetings of Sunlight Global, and therefore they are deemed to be interested in the Shares in which Sunlight Global is interested under the SFO. Mr. Chen Hua is an executive Director and Ms. Zhu Jianqin was a former executive Director who had resigned on 3 March 2023. Mr. Chen Hua and Ms. Liu Jing are spouses to each other and therefore, each of them is deemed to be interested in the Shares in which he or she is interested under the SFO.
3. The percentages are subject to rounding difference, if any. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## **DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES**

Share certificates for the fully-paid Rights Shares are expected to be posted on or before Friday, 28 July 2023 to those entitled thereto at their registered addresses by ordinary post at their own risk.

## **COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES**

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 31 July 2023.

By the order of the Board  
**Diwang Industrial Holdings Limited**  
**Mr. Sun Jingang**  
*Executive Director*

Hong Kong, 27 July 2023

*As at the date hereof, the Board comprises Mr. Chen Hua, Mr. Sun Jingang, Mr. Lam Kam Kong Nathaniel and Mr. Tse Chun Chung as executive Directors; and Mr. Au Hei Ching, Mr. Ho Ho Tung Armen, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun as independent non-executive Directors.*