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# China Wacan Group Company Limited
# 中國網成集團有限公司

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

**(Stock code: 1920)**

# COMPLETION OF PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

**Placing agent**

ASTRUM

References are made to the announcement of China Wacan Group Company Limited ("**Company**") dated 3 June 2025 in relation to the placing of new shares under general mandate ("**Announcement**"). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

## COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions to the Placing Agreement have been fulfilled and completion of the Placing took place on 24 June 2025. A total of 62,400,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK$0.241 per Placing Share pursuant to the terms and conditions of the Placing Agreement, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the Placing.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners (if any) are (i) not connected persons of the Company; and (ii) independent of the Company and its connected persons, and not acting in concert (as defined under the Takeovers Code) with any of them. None of the Placees became a Substantial Shareholder of the Company upon completion of the Placing.

As disclosed in the announcement of the Company dated 30 December 2024 and the 2024 Annual Report of the Company, in addition to the existing business of the Group, the Company intends to commence a new beauty business by providing high quality beauty services, nutritional healthcare products and health services (the "**New Business**"). The maximum net proceeds (the "**Net Proceeds**") from the Placing will be approximately HK$14,100,000, the Company intends to use the Net Proceeds for the following purposes:

(i) approximately HK$8,100,000, representing approximately 57.4% of the Net Proceeds will be used for starting the New Business by setting up around 8 physical beauty stores in first tier cities of China, including but not limited to Shenzhen, Wuhan and Shanghai. The Company estimates that the average costs for setting up one physical beauty store is approximately HK$1,010,000 (including purchase of beauty equipment and utensils, payment of half year's rental deposit and fees and half year's staff salaries for the physical beauty store);

(ii) approximately HK$3,000,000, representing approximately 21.3% of the Net Proceeds will be used for renovation of the new office leased by the Company including the purchase of new furniture and utilities for the new office; and

(iii) approximately HK$3,000,000, representing approximately 21.3% of the Net Proceeds will be used as working capital of the Group.

The Net Proceeds are expected to be used up at end of the financial end of 2025.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) immediately before completion of the Placing; and (ii) immediately after completion of the Placing.

| | **Immediately before completion of the Placing** | | **Immediately after completion of the Placing** | |
|---|---|---|---|---|
| | *Number of Shares* | *Approximate % Note 2* | *Number of Shares* | *Approximate % Note 2* |
| **Substantial Shareholder** | | | | |
| China Alliance Venture Limited ("**China Alliance**") *Note 1* | 199,091,000 | 63.81 | 199,091,000 | 53.17 |
| **Public Shareholders** | | | | |
| Placees | – | – | 62,400,000 | 16.67 |
| Other public shareholders | 112,909,000 | 36.19 | 112,909,000 | 30.16 |
| **Total** | **312,000,000** | **100.00** | **374,400,000** | **100.00** |

*Notes:*

1. China Alliance is beneficially wholly-owned by Mr. Zhou Zhenlin, the chairman of the Board and an executive Director. Mr. Zhou Zhenlin is deemed to be interested in all the Shares held by China Alliance.

2. The above percentage figures are subject to rounding adjustments.

By order of the Board
**China Wacan Group Company Limited**
**Zhou Zhenlin**
*Chairman of the Board and Executive Director*

Hong Kong, 24 June 2025

*As at the date of this announcement, the Board comprises Mr. Zhou Zhenlin, Ms. Peng Yunying and Mr. Guo Xianjiao as executive Directors and Ms. Ding Xin, Mr. Zhu Qi, Ms. Zhang Lingke and Professor Lam Sing Kwong Simon as independent non-executive Directors.*