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Xin Point Holdings Limited

信邦控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1571)

VOLUNTARY ANNOUNCEMENT

**SUBSCRIPTION OF NEW SHARES IN WANKA ONLINE INC.
AND
FORMATION OF A JOINT VENTURE COMPANY**

The board of directors of the Company is pleased to announce that on 7 January 2020, the Company and Wanka agreed to the following transactions to strengthen their business cooperation:

SUBSCRIPTION OF NEW SHARES IN WANKA

The Board is pleased to announce that on 7 January 2020 (after trading hours), the Company and Wanka entered into a subscription agreement, pursuant to which the Company has conditionally agreed to subscribe for, and Wanka has conditionally agreed to allot and issue to the Company, 25,789,000 Subscription Shares at a subscription price of HK\$1.90 per Subscription Share.

The Subscription Shares represent (1) approximately 2.03% of the existing issued share capital of Wanka as at the date of this announcement and (2) approximately 1.99% of the issued share capital of Wanka as enlarged by the allotment and issue of the Subscription Shares (assuming that there will be no change in the share capital of Wanka from the date of the Subscription Agreement to the date of completion of the said subscription save for the allotment and issue of the Subscription Shares). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Wanka is an Independent Third Party.

The Subscription Shares will be allotted and issued by Wanka to the Company and will rank pari passu in all respects among themselves and with the existing Wanka's Shares in issue. The Company will subscribe for the Subscription Shares for a consideration of approximately HK\$49.0 million in accordance with the terms of the Subscription Agreement.

An application will be made by Wanka to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

FORMATION OF A JOINT VENTURE COMPANY

The Board is also pleased to announce that on 7 January 2020 (after trading hours), Keen Point Precision, an indirectly wholly-owned subsidiary of the Company, Huanju Times, a consolidated affiliated entity of Wanka, and the Independent Individual entered into the JV Agreement for the establishment of the JV Company.

Pursuant to the JV Agreement, Keen Point Precision, Huanju Times and the Independent Individual agree to establish the JV Company with registered share capital of RMB89.6 million (equivalent to approximately HK\$100 million) which will be contributed in cash as to 49%, 49% and 2% by Keen Point Precision, Huanju Times, and the Independent Individual, respectively. Upon its establishment, the JV Company will be owned as to 49% by Keen Point Precision, 49% by Huanju Times and 2% by the Independent Individual, respectively.

The investment in JV Company will be classified as an "investment in a joint venture" and accounted for using the equity method of accounting in the consolidated financial statements of the Group. The Company will indirectly control 49% of the equity interests in the JV Company.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios for the said subscription and the formation of the JV Company calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the said subscription and the formation of the JV Company together do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The said subscription and the formation of the JV Company are not inter-conditional. The completion of the said subscription is subject to fulfilment of and/or waiver of conditions precedent set out in the Subscription Agreement. The said subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 7 January 2020, the Company and Wanka agreed to the following transactions to strengthen their business cooperation:

SUBSCRIPTION OF NEW SHARES IN WANKA

The Board is pleased to announce that on 7 January 2020, the Company and Wanka entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to subscribe for, and Wanka has conditionally agreed to allot and issue to the Company, 25,789,000 Subscription Shares at the Subscription Price of HK\$1.90 per Subscription Share.

Subscription Agreement

Date

7 January 2020

Parties

(1) Subscriber: the Company; and

(2) Issuer: Wanka

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Wanka and its subsidiaries, including its consolidated affiliated entities, are mainly involved in mobile advertising services, online-video distribution services and game co-publishing services, and Wanka's ultimate beneficial owners are Independent Third Parties.

Subscription Shares

Pursuant to the Subscription Agreement, Wanka has conditionally agreed to allot and issue, and the Company has conditionally agreed to subscribe for in cash, 25,789,000 Subscription Shares at the Subscription Price of HK\$1.90 per Subscription Share.

Assuming that there will be no change in the share capital of Wanka from the date of the Subscription Agreement to the date of completion of the said subscription except for the allotment and issue of the Subscription Shares, the Subscription Shares represent (1) approximately 2.03% of the existing issued share capital of Wanka of 1,273,216,350 Shares as at the date of this announcement and (2) approximately 1.99% of the issued share capital of Wanka as enlarged by the issuance of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is approximately US\$5.16 (equivalent to approximately HK\$40.13).

Subscription Price

HK\$1.90 per Subscription Share, representing:

- (1) a premium of approximately 1.6% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on 7 January 2020, being the date of the Subscription Agreement; and
- (2) a premium of approximately 3.26% to the average closing price of HK\$1.84 per Share as quoted on the Stock Exchange for the last 5 trading days immediately before 7 January 2020, being the date of the Subscription Agreement.

The net subscription price (after deducting the expenses incurred in the Subscription) is approximately HK\$1.88 per Subscription Share. The Subscription Price was determined after arm's length negotiation between the Company and Wanka with reference to the historical market prices of Wanka's Shares and the prevailing market conditions.

Conditions precedent

The completion of the said subscription is conditional upon the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Subscription Agreement which include, amongst others, the following:

- (1) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange and such approval and permission remaining in full force and effect;
- (2) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn, the Shares continuing to be traded on the Stock Exchange at all times from the date of the Subscription Agreement to the date of completion of the said subscription (save for any temporary suspension for not more than 10 business days) (or such other period as the Subscriber may agree) and neither the Stock Exchange nor the Securities and Futures

Commission having indicated that either one of them will qualify, object to, cancel or withdraw such listing and/or dealings in the Shares for reasons related to or arising from the transactions contemplated in the Subscription Agreement;

- (3) all necessary consents, approvals, filings and reports required to be obtained on the part of the Company and Wanka for the completion of the said subscription pursuant to the Subscription Agreement having been obtained; and
- (4) the warranties being true, accurate and correct in all respects at the completion of the said subscription (except for such warranties that speak as of a specific date, which shall be true and correct as of such specified date) and each of the Company and Wanka hereto having performed in all respects all its obligations under the Subscription Agreement to be performed before the completion of the said subscription.

The Conditions (1) and (2) above are not waivable by either party hereto. The Company may at any time by notice in writing to Wanka waive any of the aforesaid conditions (3) and (4) (in respect of the warranties and obligations of Wanka). Wanka may at any time by notice in writing to the Company waive any of the aforesaid conditions (3) and (4) (in respect of the warranties and obligations of the Company). The completion of the said subscription will not be conditional upon the establishment of the JV Company as described below.

If the completion of the said subscription does not take place on or before 6 July 2020 or such other date as the Company and Wanka may agree, either of the Company or Wanka shall be entitled to terminate the Subscription Agreement by written notice to the other. Neither party shall have any claim under the Subscription Agreement of any nature against the other party except in respect of any rights and liabilities which have accrued before such termination.

Completion

Upon the fulfilment or waiver (as the case may be) of the conditions precedent, the completion shall take place within 10 business days on the date and time specified by Wanka and notified in writing to the Company at least three business days before the date of the completion of the said subscription.

Ranking

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects with Wanka's Shares in issue on the date of the completion of the said subscription, including the right to any dividends or distributions after the date of allotment. The Subscription Shares are freely transferable.

Application for Listing

Wanka will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

FORMATION OF A JOINT VENTURE COMPANY

The Board is pleased to announce that on 7 January 2020 (after trading hours), Keen Point Precision, an indirectly and wholly-owned subsidiary of the Company, and Huanju Times, a consolidated affiliated entity of Wanka, entered into the JV Agreement with an independent individual (the “**Independent Individual**”) for the establishment of the JV Company.

The JV Agreement

Date

7 January 2020

Parties

- (1) Keen Point Precision;
- (2) Huanju Times; and
- (3) the Independent Individual

Formation of the JV Company and its registered capital

Pursuant to the JV Agreement, Keen Point Precision, Huanju Times and the Independent Individual agree to establish the JV Company that will principally engage in the internet of vehicles businesses and will be located in Shenzhen, the PRC.

The initial registered share capital of the JV Company will be RMB89.6 million, (equivalent to approximately HK\$100 million) which will be contributed in cash as to 49%, 49% and 2% by Keen Point Precision (or its designated wholly-owned subsidiary), Huanju Times and the Independent Individual, respectively. In the event any party fails to fulfil its capital contribution obligation, the JV Company will still be established, however, such party shall indemnify the other parties for any loss they incurred. Upon its establishment, the JV Company will be owned as to 49% by Keen Point Precision (or its designated wholly-owned subsidiary), 49% by Huanju Times and 2% by the Independent Individual, respectively.

The amount of capital contributions was determined after arm's length negotiation between the parties to the JV Agreement with reference to their respective capital contribution intentions and past experiences.

The JV Company will be established upon being duly registered with the applicable bureau of Industry and Commerce in the PRC. The completion of the establishment of the JV Company will not be conditional upon the completion of the said subscription.

The investment in the JV Company will be classified as an "investment in a joint venture" and accounted for using the equity method of accounting in the consolidated financial statements of the Group. The Company will indirectly control 49% of the equity interest in the JV Company.

Intellectual Property Rights

Huanju Times agrees to irrevocably authorize the JV Company to use, on a royalty-free basis, certain of its proprietary intellectual property rights on an exclusive and free-of-charge basis for the period commencing from the date of the JV Agreement to the date of dissolution of the JV Company. The JV Company shall not authorize any third party to use or register as the owner of such intellectual property rights in any other jurisdiction without the prior written consent of Huanju Times.

Any of the intellectual property rights developed by the JV Company based on such authorized intellectual property rights shall be owned by the JV Company and shall not be transferred or authorized to any third party unless agreed by more than two-thirds of all the voting power of the JV Company. In the event that the JV Company is dissolved, Keen Point Precision (or its designated wholly-owned subsidiary) or Huanju Times shall have the right of first refusal to purchase such intellectual property rights owned by the JV Company on the same conditions provided by the third parties.

Management Composition

The board of the JV Company will consist of three directors. Each of Keen Point Precision (or its designated wholly-owned subsidiary), Huanju Times and the Independent Individual is entitled to nominate one director. Keen Point Precision (or its designated wholly-owned subsidiary) shall be entitled to nominate the chairman of the board of the JV Company and its chief financial officer; and Huanju Times shall be entitled to nominate the supervisor of the JV Company. The chief executive officer shall be jointly nominated by all the shareholders of the JV Company.

Any material decisions of the JV Company will be subject to the approval of the shareholder's meeting of the JV Company, which shall be passed by more than two-thirds of all the voting power of the JV Company. The material decisions include, among others, the amendment to corporate constitutional documents, annual budgets, board and supervisor nomination and compensation, change in registered share capital, change in business, merger, acquisition or dissolution, issue or repurchase equity securities, share incentive plan, change in auditor, dividends, related party transactions and material loans.

Restrictions on Equity Transfers

None of the shareholders of the JV Company may transfer or pledge its equity interests therein without the written consent of the other shareholders. In the event that a shareholder of the JV Company proposes to transfer its/her equity interest in the JV Company to any third party other than the other shareholders of the JV Company or the JV Company proposes to increase its registered share capital, the existing shareholders of the JV Company shall have a right of first refusal to subscribe for such equity interests on the same conditions as provided by the third parties or the JV Company.

Distribution of Profit

Each shareholder of the JV Company shall be entitled to, on a pro rata basis of the contributed registered capital, receive the dividend as the shareholders of the JV Company may decide from time to time.

Information on the Parties to the JV Agreement

Keen Point Precision is a limited liability company established in the PRC and is indirectly wholly owned by the Company. The Company and its subsidiaries are principally engaged in the manufacture and sale of automotive decorative components.

Huanju Times is a consolidated affiliated entity of Wanka and is incorporated under the laws of the PRC. Wanka is 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: 1762). Wanka is principally engaged in providing mobile internet distribution services and tremendous support to a large number of Android-based ecosystem participants.

As of the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Huanju Times and Wanka are Independent Third Parties and are independent from the Independent Individual and her connected persons.

The Independent Individual is an individual with extensive experience in equity investment. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Independent Individual is an Independent Third Party and is independent from Huanju Times and Wanka as well as Keen Point Precision and the Company and their respective connected persons.

Reasons for and Benefits of investing in Wanka and the Formation of the JV Company

Internet of vehicles generally refers to the network made up of cars that are intelligent and connected, which is believed to be an important foundation of the future smart vehicles, particularly for autonomous driving. Given the extensive experience of the Group in automobile industry and the extensive experience of Wanka in mobile internet distribution services and the rapid development in the internet of vehicle industry in the PRC, the Company and Wanka believe that the internet of vehicle business will be a good opportunity to be further capitalized to enhance the business development of both parties. The Board also believes that the formation of the JV Company and cooperation with Wanka and the Independent Individual will facilitate and bring about the Group's future business development in developing and establishing internet of vehicle related platform and a diversification of the Group's sole business reliance on the sales of automobile decorative parts to the benefit of the Group as a whole. The Board is also of the view that the terms of the JV Agreement and the formation of the JV Company are on normal commercial terms, fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios for the said subscription and the formation of the JV Company calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the said subscription and the formation of the JV Company together do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION AND THE FORMATION OF THE JV COMPANY ARE NOT INTER-CONDITIONAL. THE COMPLETION OF THE ISSUANCE OF THE SUBSCRIPTION SHARES IS SUBJECT TO THE FULFILMENT AND/OR WAIVER OF THE CONDITIONS PRECEDENT SET OUT IN THE SUBSCRIPTION AGREEMENT. THE SUBSCRIPTION MAY OR MAY NOT PROCEED.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	means the board of Directors of the Company;
“Company”	means Xin Point Holdings Limited, 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: 1571);
“connected person(s)”	means the connected person(s) as defined under Chapter 14A of the Listing Rules;
“Director(s)”	means the director(s) of the Company;
“Group”	means the Company together with its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Huanju Times”	means Huanju Shidai Culture Media (Beijing) Co., Ltd. (歡聚時代文化傳媒(北京)有限公司), a limited liability company established in the PRC, being a consolidated affiliated entity of Wanka;
“Independent Individual”	means Ms. Liu Ying;
“Independent Third Party(ies)”	means a third party independent of and not connected with the Company and/or its subsidiaries and their respective connected persons;
“JV Agreement”	means the joint venture agreement dated 7 January 2020 entered into between Huanju Times, Keen Point Precision and the Independent Individual in relation to the formation of the JV Company;
“JV Company”	means a limited liability company to be formed under the JV Agreement and to be incorporated under the laws of the PRC;

“Keen Point Precision”	means Huizhou Keen Point Precision Plastic Co., Ltd. (惠州建邦精密塑膠有限公司), a limited liability company established in the PRC, being an indirectly and wholly-owned subsidiary of the Company;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“PRC”	means the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“RMB”	means Renminbi, the lawful currency of PRC;
“Share(s)”	means ordinary shares of US\$0.0000002 each in the share capital of Wanka;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	means the agreement dated 7 January 2020 made between the Company and Wanka in respect of the issuance of the Subscription Shares;
“Subscription Price”	means HK\$1.90 per Subscription Share;
“Subscription Shares”	means a total of 25,789,000 Shares to be allotted and issued to the Company at the Subscription Price under the Subscription Agreement;
“US\$”	means United States dollars, the lawful currency of the United States of America; and
“Wanka”	means Wanka Online Inc., a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange (stock code: 1762).

On behalf of the Board
Xin Point Holdings Limited
Ma Xiaoming
Chairman

Hong Kong, 7 January 2020

As at the date of this announcement, the Board comprises Mr. MA Xiaoming, Mr. MENG Jun, Mr. ZHANG Yumin, Mr. LIU Jun, Mr. HE Xiaolu and Mr. JIANG Wei as executive directors; and Mr. TANG Chi Wai, Mr. GAN Weimin and Prof. CAO Lixin as independent non-executive directors.

For the purpose of this announcement, the exchange rate of HK\$1 = RMB0.89639 and HK\$1 = US\$0.1285 have been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rates or any other rates or at all on the date or dates in question or any other date.