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WANKAONLINE

WANKA ONLINE INC.

萬咖壹聯有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1762)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ESTABLISHMENT OF LIMITED PARTNERSHIP**

ESTABLISHMENT OF AN INVESTMENT FUND IN THE FORM OF LIMITED PARTNERSHIP

On 7 February 2025 (after trading hours), the General Partners and the Limited Partners entered into the Limited Partnership Agreement in respect of the establishment of an investment fund in the form of the Limited Partnership in Jiangbei District, Chongqing city, the PRC. Pursuant to the Limited Partnership Agreement, Huanju Times, as one of the limited partners, agreed to subscribe for limited partnership interest in the Limited Partnership for a capital commitment of RMB50,000,000 (equivalent to approximately HK\$54,000,000).

LISTING RULES IMPLICATIONS

The entering into of the Limited Partnership Agreement constitutes a transaction under Chapter 14 of the Listing Rules.

As the highest percentage ratio in respect of the Limited Partnership Agreement exceeds 5% but is less than 25%, the entering into of the Limited Partnership Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and are subject to reporting and announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

ESTABLISHMENT OF AN INVESTMENT FUND IN THE FORM OF LIMITED PARTNERSHIP

The Board is pleased to announce that, on 7 February 2025 (after trading hours), the General Partners and the Limited Partners entered into the Limited Partnership Agreement in respect of the establishment of an investment fund in the form of the Limited Partnership in Jiangbei District, Chongqing city, the PRC. Pursuant to the Limited Partnership Agreement, Huanju Times, as one of the limited partners, agreed to subscribe for limited partnership interest in the Limited Partnership for a capital commitment of RMB50,000,000 (equivalent to approximately HK\$54,000,000).

The initial aggregate capital contributions to be made by all Partners is agreed to be RMB100,000,000 (equivalent to approximately HK\$108,000,000).

Immediately upon all Partners having contributed their respective capitals, Huanju Times will be interested in approximately 50% of the limited partnership interests in the Limited Partnership.

The principal terms of the Limited Partnership Agreement are set out below:

Date

7 February 2025 (after trading hours)

Parties

(1) the General Partners; and

(2) the Limited Partners.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the General Partners, the Limited Partners (other than Huanju Times) and their respective ultimate beneficial owners are all third parties independent of the Company and its connected persons.

Establishment of the Limited Partnership

Name of the Fund	Chongqing Jiangbei Rongka Private Equity Investment Fund Partnership (Limited Partnership)* 重慶江北融咖私募股權投資基金合夥企業 (有限合伙)
Purpose of the Limited Partnership	Leveraging on the strength of the corporate structure of limited partnership, through the direct and indirect investments in selected projects, manage and utilize the assets of the Limited Partnership in a professional manner, in order to achieve the appreciation of its capital assets and create good investment returns for the partners.
Focus of the Limited Partnership	The Limited Partnership focuses on investments related to digital economy, including artificial intelligence and mobile internet advertising services.
Term of the Limited Partnership	A term of up to seven (7) years commencing from the First Completion Date, comprising: 1. the first five (5) years shall be for making investments and its operations; and 2. if all Partners agree, the term of the Limited Partnership may be extended for two (2) more years, i.e. totalling seven (7) years.
Initial Total Capital Commitment	The respective capital commitment of each Partner is as follows: <u>Limited Partners</u>

	<p>Chongqing Guiding Investment LP RMB40,000,000 (equivalent to approximately HK\$43,200,000)</p> <p>Chongqing Taiwei Xingchen RMB8,000,000 (equivalent to approximately HK\$8,640,000)</p> <p>Huanju Times RMB50,000,000 (equivalent to approximately HK\$54,000,000)</p> <p><u>General Partners</u></p> <p>Chongqing Guiding Investment Management RMB1,000,000 (equivalent to approximately HK\$1,080,000)</p> <p>Zhuhai Taiwei Xingchen RMB1,000,000 (equivalent to approximately HK\$1,080,000)</p> <p>Upon establishment of the Limited Partnership and issue of the written request by the manager of the Limited Partnership, the Partners, including Huanju Times, shall be required to contribute the first instalment of capital, equivalent to 10% of their respective capital commitments, within 20 working days.</p> <p>For the remaining portion of the capital commitments, the Partners shall be required to contribute the same within 20 working days after the issue of the written request by the manager of the Limited Partnership.</p> <p>The contribution of Huanju Times is not conditional upon other Partners have completed their capital contribution.</p>
Distribution of Investment Returns	<p>The investment returns will be distributed in the following manner:</p> <p>(a) The distributable income shall first be distributed among all Partners on a pro rata basis in proportion to their respective contributed capital.</p> <p>(b) Once the distribution reaches the amount of the contributed capitals of all Partners, the Limited Partnership shall first distribute to each Limited Partner, and (if there is still surplus) then to each General Partner thereafter, up to an amount to be calculated at the rate of 6% of the contributed capitals of the relevant Partner per annum; and</p> <p>(c) If there is still surplus after distribution in accordance with paragraphs (a) and (b) above, the Limited Partnership shall distribute 80% of the remaining surplus to all Limited Partners on a pro rata basis in proportion of their respective contributed capitals, and 20% of the remaining surplus to the General Partners in equal share.</p>

Transfer of Interest by Limited Partners	The Limited Partners shall not transfer any of its interest in the Limited Partnership, unless approved by those Partners which have contributed not less than an aggregate of two-third of the total contributed capitals in the Limited Partnership at the partners meeting.
Management of the Limited Partnership	<p>The General Partners have the power to apply the assets of the Limited Partnership and manage its daily operations.</p> <p>Zhuhai Taiwei Xingchen, being one of the General Partners, is delegated with the responsibility of executive works of the Limited Partnership, such as entering into contracts for and on behalf of the Limited Partnership.</p> <p>Chongqing Guiding Investment Management, being one of the General Partners, is appointed as manager of the Limited Partnership and is delegated with the responsibility of investment and management of the Limited Partnership.</p>
Executive Fee and Management Fee	The Limited Partnership shall pay (i) Zhuhai Taiwei Xingchen, one of the General Partners, an executive fee equal to 1% per annum on the contributed capitals of all Limited Partners and (ii) Chongqing Guiding Investment Management, one of the General Partners, a management fee equal to 1% per annum on the contributed capitals of all Limited Partners.
Limited Liability	The liability of each Limited Partner for the debts and obligations of the Limited Partnership will be limited to the capital commitment of such Limited Partner in the Limited Partnership.

The capital commitment of Huanju Times was determined after arm's length negotiation between the parties to the Limited Partnership Agreement with reference to their respective capital contribution intentions, the business plans and capital requirements of the Limited Partnership, and the past investment experiences of the parties.

FINANCIAL IMPACT OF THE LIMITED PARTNERSHIP AGREEMENT

The Company will recognize the limited partner interest of Huanju Times in the Limited Partnership as financial assets at fair value through profit or loss in the Company's financial statements under the applicable accounting standards.

INFORMATION ON THE PARTIES TO THE LIMITED PARTNERSHIP AGREEMENT

Regarding the General Partners:

- (1) Chongqing Guiding Investment Management is a company established in the PRC with limited liability and is principally engaged in private equity investment fund management and venture capital fund management. Its investments are centered around the advantageous leading industries and key development directions of Jiangbei District of Chongqing city, with a focus on major project introductions, transformation of significant scientific and technological achievements, corporate mergers and acquisitions, and other investment projects that align with industrial policy directions and demonstrate promising returns. Its current senior management who is responsible for investment possesses the requisite professional qualification in the PRC for fund management and has more than 8 years of experiences in investment and project management; and
- (2) Zhuhai Taiwei Xingchen is a company established in the PRC with limited liability and is principally engaged in investment management, asset management and business management.

Regarding the Limited Partners:

- (1) Chongqing Guiding Investment LP is a limited partnership established in the PRC and is principally engaged in equity investment in private equity funds;
- (2) Chongqing Taiwei Xingchen is a company established in the PRC with limited liability and is principally engaged in software development and computer hardware and software sales; and
- (3) Huanju Times is a company established in the PRC with limited liability and is controlled by the Company through Wanka Huanju Culture Media (Beijing) Co., Ltd. via a series of contractual arrangements and is principally engaged in investment holding, mobile advertising services and smart AI marketing services.

As at the date of the Limited Partnership Agreement and this announcement, the Limited Partnership is not yet established and therefore there is no financial information in respect of the same.

REASONS FOR AND BENEFITS OF THE LIMITED PARTNERSHIP AGREEMENT

The Group is a fast-growing technology company in the mobile Internet market, helping connect businesses and actively developing smart AI marketing services from various industries to hundreds of millions of Android-based, Apple-based, and HarmonyOS-based smartphone users in the PRC. One of the Group's future plans and strategies is to continue to scale its business, thereby reinforcing its market leadership.

The Company decided to participate in the establishment of the Limited Partnership because the Limited Partnership, by investing in innovative enterprises along the Group's industry chain, is creating a complete industry ecosystem, incubating innovative technologies such as AI applications, expanding the Company's business domain and strengthening its control over upstream and downstream enterprises. Further, the Company considers that the Limited Partnership will generate promising returns for the Group through appreciation of value of its interest in the Limited Partnership and distribution of dividends.

Having considered the above factors, the Board is of the view that the Limited Partnership Agreement provides a good opportunity for the Group to further expand its business scale and develop its smart AI marketing services and is in line with the strategic development of the Group and that the terms of the Limited Partnership Agreement are fair and reasonable and in the interests of the Company and the Shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

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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;
“Chongqing Guiding Investment LP”	means Chongqing Jiangbei Industry Guiding Private Equity Investment Fund Partnership (Limited Partnership)* 重慶江北產業引導私募股權投資基金合伙企業(有限合伙), a limited partnership established in the PRC and is ultimately 99.98% stated-owned and 0.02% owned by Sino-Singapore Connectivity Private Equity Fund Management Co., Ltd.;
“Chongqing Guiding Investment Management”	means Chongqing Jiangbei Industry Leading Private Equity Investment Fund Management Co., Ltd.* 重慶江北產業引導私募股權投資基金管理有限公司, a company established in the PRC with limited liability and is ultimately 100% stated-owned;
“Chongqing Taiwei Xingchen”	means Chongqing Taiwei Xingchen Technology Co., Ltd.* 重慶太微星辰科技有限公司, a company established in the PRC with limited liability, which is ultimately 99% owned by Mr. Cheng Du (程度), a merchant, and 1% owned by Mr. Li Guanghua (李光華), a merchant;
“Company”	means Wanka Online Inc., 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);
“connected person(s)”	means the connected person ascribed to it under Chapter 14A of the Listing Rules;
“Director(s)”	means the director(s) of the Company;

“First Completion Date”	means the date on which the Partners having contributed the first instalment of their respective capital commitment (which is expected to be 10% of the total capital commitment) and the Limited Partnership having deposited the same into the relevant bank account;
“General Partners”	means the general partners of the Limited Partnership, being: <ul style="list-style-type: none"> (1) Zhuhai Taiwei Xingchen; and (2) Chongqing Guiding Investment Management;
“Group”	means the Company, its subsidiaries and companies whose financial results have been consolidated and accounted as the subsidiaries of the Company by virtue of the contractual arrangements;
“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 with limited liability, being a consolidated affiliated entity of the Company;
“Limited Partners”	means the limited partners of the Limited Partnership, being: <ul style="list-style-type: none"> (1) Chongqing Guiding Investment LP; (2) Chongqing Taiwei Xingchen; and (3) Huanju Times;
“Limited Partnership”	means Chongqing Jiangbei Rongka Private Equity Investment Fund Partnership (Limited Partnership)* 重慶江北融咖私募股權投資基金合伙企業(有限合伙), an investment fund in the form of a limited partnership to be established pursuant to the Limited Partnership Agreement;
“Limited Partnership Agreement”	means the limited partnership agreement in respect of the establishment of the Limited Partnership dated 7 February 2025 entered into between the General Partners and the Limited Partners;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Partners”	means collectively, the General Partners and the Limited Partners, a “Partner” shall mean any one of them;

“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 the PRC;
“Shareholder(s)”	means holder(s) of the Share(s);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“Zhuhai Taiwei Xingchen”	means Zhuhai Taiwei Xingchen Investment Management Co., Ltd.* 珠海太微星辰投資管理有限公司, a company established in the PRC with limited liability and is ultimately 99% owned by Mr. Cheng Du (程度), a merchant, and 1% owned by Mr. Li Guanghua (李光華), a merchant.

By order of the Board
Wanka Online Inc.
GAO Dinan
Chairman

For the purpose of this announcement, the exchange rate of RMB1.0 = HK\$1.08 has 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.

Hong Kong, 7 February 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. GAO Dinan, Mr. NIE Xin, Ms. JIANG Yu and Mr. YU Dingyi as executive Directors; and Mr. CHEN Baoguo, Mr. JIN Yongsheng and Mr. YU Limin as independent non- executive Directors.

* *For identification purposes only*