

*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.*

*This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **Zijing International Financial Holdings Limited**

**紫荊國際金融控股有限公司**

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

**(Stock Code: 8340)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**



#### **THE PLACING**

The Board is pleased to announce that on 27 February 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the Placing of a maximum of 12,800,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the Placing Price of HK\$0.31 per Placing Share.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of 12,800,000 Placing Shares under the Placing Agreement represents: (a) 20.00% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full.

The Placing Price of HK\$0.31 per Placing Share represents: (i) a premium of approximately 21.57% over the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on 27 February 2023, being the date of the Placing Agreement; and (ii) a premium of approximately 8.77% over the average closing price of HK\$0.285 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3.97 million and the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$3.87 million, representing a net placing price of approximately HK\$0.302 per Placing Share.

The Directors intend to use the net proceeds from the Placing as to (i) approximately HK\$1.5 million, representing approximately 38.76% of the net proceeds, to be used for financing the potential acquisition of a Hong Kong-based corporate secretarial service provider; (ii) approximately HK\$1.0 million, representing approximately 25.84% of the net proceeds, to be used for strengthening the manpower of the Group; and (iii) approximately HK\$1.37 million, representing approximately 35.4% of the net proceeds, to be used as the general working capital of the Group.

#### **GENERAL**

The Placing Shares will be allotted and issued pursuant to the General Mandate.

Application will be made by the Company to the Listing Committee for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

**Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 27 February 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the Placing of a maximum of 12,800,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the Placing Price of HK\$0.31 per Placing Share.

The principal terms of the Placing Agreement are summarized below:

Date: 27 February 2023 (after trading hours)

Issuer: The Company

Placing Agent: Aristo Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

The terms of the Placing Agreement were arrived at arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions and the recent trading performance of the Shares. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

#### **Placing commission**

The Placing Agent will charge the Company a placing commission of 1.0% of the aggregate amount equal to the Placing Price multiplied by the number of the Placing Shares being placed by the Placing Agent. The placing commission payable to the Placing Agent under the Placing Agreement was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing commission rate for similar transactions, the size of the Placing and the price performance of the Shares.

#### **Placees**

The Placing Agent will, on a best efforts basis, place the Placing Shares to not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial shareholder of the Company.

#### **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement up to Completion, the maximum number of 12,800,000 Placing Shares under the Placing represents (i) 20.00% of the existing issued share capital of the Company of 64,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,280,000.

## **Ranking of Placing Shares**

The Placing Shares will, on allotment and issue, rank *pari passu* in all respects with other existing Shares upon issuance free from all claims, charges, liens, encumbrances and equities, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on the record date of which falls on or after the date of issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.31 per Placing Share represents:

- (a) a premium of approximately 21.57% over the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a premium of approximately 8.77% over the average closing price of HK\$0.285 per Share as quoted on the Stock Exchange in the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares, the recent trading performance of the Shares and the nominal value of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is determined on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **General Mandate to allot and issue of the Placing Shares**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit of up to 20.00% of the then number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 12,800,000 Shares (as adjusted taking into account the effect of the Share Consolidation). As at the date of this announcement, no Shares have been issued under the General Mandate. Therefore the Placing will not be subject to any further Shareholders approval.

## **Application for listing of Placing Shares**

Application will be made by the Company to the Listing Committee for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Placing Shares; and

- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 17 March 2023 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

### **Completion of the Placing**

Completion of the Placing will take place within four (4) Business Days after the fulfillment of the above conditions precedent or such other date to be agreed between the Company and the Placing Agent in writing.

### **Termination**

The Placing Agent may, upon the occurrence of the following events, terminate the Placing Agreement by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or

- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties of the Company to the Placing Agent under the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to this section, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3.97 million and the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$3.87 million, representing a net placing price of approximately HK\$0.302 per Placing Share. The Directors intend to use the net proceeds from the Placing as to (i) approximately HK\$1.5 million, representing approximately 38.76% of the net proceeds, to be used for financing the potential acquisition of a Hong Kong-based corporate secretarial service provider; (ii) approximately HK\$1.0 million, representing approximately 25.84% of the net proceeds, to be used for strengthening the manpower of the Group; and (iii) approximately HK\$1.37 million, representing approximately 35.4% of the net proceeds, to be used as the general working capital of the Group.

- **Potential acquisition of a Hong Kong-based corporate secretarial service provider**

In recent years, amid the growing awareness of corporate governance and tightening regulatory requirements in Hong Kong, corporations have in general placed greater emphasis on their corporate governance levels and this in turn has created strong impetus for professional corporate secretarial service. Further, listed issuers are now

encouraged to maintain high level of corporate governance standards as it is increasingly perceived by the investment community as a common benchmark for assessing the performance of the listed issuers. In light of this, the Group is committed to build up its presence in the corporate secretarial service industry through acquisition (the “**Potential Acquisition**”). The Group is currently in an advanced stage of negotiation with a potential vendor for the potential acquisition of a Hong Kong-based corporate secretarial service provider (the “**Potential Target Company**”). Based on latest negotiation with the potential vendor, the consideration for the Potential Acquisition is estimated to be approximately HK\$1.5 million to HK\$2.0 million. In this regard, the Directors intend to designate approximately HK\$1.5 million, representing approximately 38.76% of the net proceeds from the Placing, to finance the Potential Acquisition. If the consideration for the Potential Acquisition eventually exceeds HK\$1.5 million, the Group will finance the shortfall by using its own internal resources.

The Group is principally engaged in the provision of corporate finance advisory services in Hong Kong. The Group’s customers include private and listed corporations with business presence in Hong Kong, the PRC and Southeast Asia. Leveraging its clientele and track record in the Hong Kong financial industry, the Group is well-positioned to market and promote its corporate secretarial service to existing and potential customers. In view of the aforesaid, the Potential Acquisition, if materialised, would enable the Group to become a one-stop service provider for both financial advisory and corporate secretarial services.

- **Strengthening the manpower of the Group**

The COVID-19 pandemic has brought unprecedented risks to the global economy in the past few years. Attributable to the high level of vaccination rate and the application of COVID-19 treatment drugs as well as the reopening of the PRC’s border and easing of travel restrictions in Hong Kong, the Directors are cautiously optimistic about the economic prospects of Hong Kong in 2023 and the financial service industry, being a key pillar of the Hong Kong economy, is expected to benefit from such development. With a view to diversifying its service portfolio, the Group has commenced its asset management business during the first half of 2022. Given the Group is relatively new to the asset management industry, it would be advantageous for the Group to maintain sufficient working capital so that it could readily devote more resources to strengthen its asset management business by recruiting additional staff with sufficient qualification(s) or experience. In addition, it is widely believed that the Hong Kong IPO and secondary markets are expected to rebound as the Hong Kong Government strives to bring in more enterprises and talents to Hong Kong from worldwide. The success of a corporate advisory firm depends on its ability to deliver timely and quality professional advice and services. The Directors believed that having a larger pool of working capital would place the Group in a better position to recruit and retain talents through competitive remuneration packages, where appropriate.

The Directors consider that the Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the Placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the Completion) is set out as below:

<b>Name of Shareholder</b>	<b>As at the date of this announcement</b>		<b>Immediately upon Completion</b> <sup>(Note)</sup>	
	<i>No. of Shares</i>	<i>Approximate % of number of Shares in issue</i>	<i>No. of Shares</i>	<i>Approximate % of number of Shares in issue</i>
Lee Chun Wai	13,879,000	21.69	13,879,000	18.07
The Placees	—	—	12,800,000	16.67
Other Public Shareholders	<u>50,121,000</u>	<u>78.31</u>	<u>50,121,000</u>	<u>65.26</u>
<b>Total</b>	<b><u>64,000,000</u></b>	<b><u>100</u></b>	<b><u>76,800,000</u></b>	<b><u>100</u></b>

*Note:*

Assuming no change in total issued share capital of the Company other than the Placing.



## DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 6 May 2022
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
“Company”	Zijing International Financial Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8340)
“Completion”	the completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	a date falling within four (4) Business Days after the day on which all the conditions set out in the section headed “Conditions of the Placing” of this announcement have been fulfilled (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Director(s)”	the directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 64,000,000 Shares (as adjusted taking into account the effect of the Share Consolidation)) as at the date of the AGM, which was equivalent to 12,800,000 Shares (as adjusted taking into account the effect of the Share Consolidation)

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons in accordance with the GEM Listing Rules
“Listing Committee”	the GEM Listing Committee of the Stock Exchange
“Placee(s)”	any professional, institutional and/or other investor(s) procured by the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 12,800,000 Placing Shares by the Placing Agent pursuant to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Aristo Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 27 February 2023 in respect of the Placing
“Placing Price”	HK\$0.31 per Placing Share
“Placing Share(s)”	Up to 12,800,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Consolidation”	the consolidation of every ten (10) issued and unissued old Shares in the share capital of the Company into one (1) Share in the share capital of the Company, which was duly approved by the Shareholders at an extraordinary general meeting of the Company held on 2 November 2022 and became effective on 4 November 2022

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“%”	per cent

By order of the Board  
**Zijing International Financial Holdings Limited**  
**Lee Chun Wai**  
*Chairman and Executive Director*

Hong Kong, 27 February 2023

*As at the date hereof, the Board comprises Mr. Lee Chun Wai and Mr. Lee Chan Wah being the executive Directors; and Dr. Leung Kin Cheong Laurent being the non-executive Director; and Mr. Choi Tak Fai, Ms. Lee Pui Ching and Ms. Lau Mei Suet being the independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <https://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Company at <http://www.hklistco.com/8340>.*