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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 October 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\$0.15 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) 16.67% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 14.29% 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\$0.15 per Placing Share represents: (i) a premium of approximately 28.21% to the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on 27 October 2023, being the date of the Placing Agreement; and (ii) a discount of approximately 18.03% to the average closing price of HK\$0.183 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 HK\$1,920,000 and the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$1,830,000, representing a net placing price of approximately HK\$0.143 per Placing Share. The Directors intend to use the net proceeds from the Placing for 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 October 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\$0.15 per Placing Share.

The principal terms of the Placing Agreement are summarized below:

Date : 27 October 2023 (after trading hours)
Issuer : The Company
Placing Agent : Orient 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) 16.67% of the existing issued share capital of the Company of 76,800,000 Shares as at the date of this announcement; and (ii) approximately 14.29% 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\$0.15 per Placing Share represents:

- (a) a premium of approximately 28.21% to the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 18.03% to the average closing price of HK\$0.183 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 2023 AGM subject to the limit of up to 20% of the then number of issued Shares as at the date of the 2023 AGM. Under the General Mandate, the Company is authorised to issue up to 12,800,000 Shares. 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 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 16 November 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 fulfilment 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 12:00 noon 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 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 HK\$1,920,000 and the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$1,830,000, representing a net placing price of approximately HK\$0.143 per Placing Share. The Directors intend to use the net proceeds from the Placing for the general working capital of the Group.

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 following is the equity fund raising activity conducted by the Company in the past twelve months immediately preceding the date of this announcement:

Date of Announcement	Completion Date	Fund Raising	Net Proceeds raised (approximately)	Intended use of proceeds
15 May 2023	8 June 2023	Placing of new shares under general mandate granted to the Directors at the 2022 AGM	HK\$2.5 million	For general working capital of the Group

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior 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:

Name of Shareholder	As at the date of this announcement		Immediately upon Completion (Note)	
	<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>
Kerry Investment Services Limited	18,790,000	24.47	18,790,000	20.97
Lee Chun Wai	13,879,000	18.07	13,879,000	15.49
The Placees	—	—	12,800,000	14.29
Other Public Shareholders	<u>44,131,000</u>	<u>57.46</u>	<u>44,131,000</u>	<u>49.25</u>
Total	<u><u>76,800,000</u></u>	<u><u>100.00</u></u>	<u><u>89,600,000</u></u>	<u><u>100.00</u></u>

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:

“2022 AGM”	the annual general meeting of the Company held on 6 May 2022
“2023 AGM”	the annual general meeting of the Company held on 30 May 2023
“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 2023 AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the 2023 AGM, which was equivalent to 12,800,000 Shares
“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”	Orient 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 October 2023 in respect of the Placing
“Placing Price”	HK\$0.15 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
“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 October 2023

As at the date hereof, the Board comprises Mr. Lee Chun Wai and Ms. Ji Yi being the executive Directors; and Dr. Leung Kin Cheong Laurent being the non-executive Director; and Mr. Choi Tak Fai, Ms. Lau Mei Suet and Mr. Tsang Ho Yin 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>.