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Ficus Technology Holdings Limited

細葉榕科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8107)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



寶新證券有限公司

GLORY SUN SECURITIES LIMITED

THE PLACING

The Board is pleased to announce that on 24 January 2025 (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 50,000,000 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\$0.6 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 50,000,000 Placing Shares under the Placing Agreement represents (a) 3.66% of the issued share capital of the Company as at the date of this announcement; and (b) approximately 3.53% 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\$0.6 per Placing Share represents (i) a discount of approximately 1.64% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 24 January 2025, being the date of the Placing Agreement; and (ii) a premium of approximately 0.67% to the average closing price of HK\$0.596 per Share as quoted on the Stock Exchange for the last five (5) 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\$30.0 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\$29.6 million, representing a net placing price of approximately HK\$0.59 per Placing Share.

The Directors intend to use the net proceeds from the Placing to (i) further strengthen and develop the Group's sales of innovative anti-counterfeit traceability and marketing products and related ancillaries as well as the provision of supply chain management solutions; and (ii) enhance the operation of e-commerce platform operated by the Group through expanding its access to sales channels, and strengthening its functions and features including online showcasing, online transaction and products delivery.

GENERAL

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

Application will be made by the Company to the GEM 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 24 January 2025 (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 50,000,000 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\$0.6 per Placing Share.

The principal terms of the Placing Agreement are summarised below:

Date: 24 January 2025 (after trading hours)

Issuer: The Company

Placing Agent: Glory Sun 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 0.85% 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.

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 50,000,000 Placing Shares under the Placing represents (i) 3.66% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.53% 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\$500,000.

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\$0.6 per Placing Share represents:

- (a) a discount of approximately 1.64% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a premium of approximately 0.67% to the average closing price of HK\$0.596 per Share as quoted on the Stock Exchange in the last five (5) 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

No shareholders' approval is required for the Placing and 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 held on 27 June 2024 subject to the limit of up to 20% of the then number of issued Shares as at the date of the AGM.

Under the General Mandate, the Company was authorised to issue up to 27,090,000 Shares of HK\$0.1 each. On 26 July 2024, the Company completed a share subdivision to the effect that every one (1) issued and unissued ordinary share of par value of HK\$0.1 each in the share capital of the Company was subdivided into ten (10) ordinary shares of par value of HK\$0.01 each in the share capital of the Company. Accordingly, the number of Shares that may be issued under the General Mandate has correspondingly been adjusted to 270,900,000 Shares of HK\$0.01 each.

As at the date of this announcement, 13,430,000 Shares have been issued under the General Mandate pursuant to the placing completed on 3 January 2025, and the remaining number of Shares under the General mandate is sufficient for the allotment and issue of all the Placing Shares. Therefore the Placing will not be subject to any further Shareholders approval. The maximum number of 50,000,000 Placing Shares to be allotted and issued under the Placing Agreement represents 18.46% of the total number of Shares which may be issued under the General Mandate.

Application for listing of Placing Shares

Application will be made by the Company to the GEM 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 GEM Listing Committee agreeing to grant the listing of and permission to deal in the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent); and
- (ii) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

In the event that any of the above conditions is not fulfilled on or before 21 February 2025 (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 of any right or obligation 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.

Termination

If at any time on or prior to 12:00 noon on the Completion Date:

- (i) there shall have been, since the date of the Placing Agreement, such a change in national or national financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
- (ii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company.

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 of any right or obligation 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\$30.0 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\$29.6 million, representing a net placing price of approximately HK\$0.59 per Placing Share.

The Directors intend to use the net proceeds from the Placing to (i) further strengthen and develop the Group's sales of innovative anti-counterfeit, traceability and marketing products and related ancillaries as well as the provision of supply chain management solutions; (ii) enhance the operation of e-commerce platform operated by the Group through expanding its access to sales channels, and strengthening its functions and features including online showcasing, online transaction and products delivery; and (iii) strengthen the working capital of the Group.

Further strengthen and develop the Innovative SCM Solutions segment

As disclosed in the annual report of the Group for the year ended 31 December 2023, the Group has been devoting resources to developing its innovative supply chain management solutions (“**Innovative SCM Solutions**”) segment, which incorporates anti-counterfeiting, traceability and marketing functions into the products which, in turn, could allow consumers to promote and verify the genuineness and authenticity of products from different industries. Going forward, it is the plan of the Group to further expand its Innovative SCM Solutions to both apparel and other products.

Enhance the operation of e-commerce platform operated by the Group

As disclosed in the announcements of the Company dated 29 August 2024 and 4 September 2024, the Group has been enhancing the operation of its e-commerce platform by entering into strategic cooperation agreements with (a) supply chain services providers to broaden the Group's access to sales channels; and (b) commodities manufacturer to improve and diversify the product mix offered on the e-commerce platform operated by the Group.

Going forward, the Group plans to further enhance the operation of e-commerce platform operated by the Group through expanding its access to sales channels, and strengthening its functions and features including online showcasing, online transaction and products delivery.

Strengthen the working capital of the Group

The Directors consider that the Placing will strengthen the working capital of the Company for meeting daily operating expenses.

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.

Set forth below is the intended allocation of the net proceeds from the Placing by the nature of expenses of the aforesaid usages:

Nature of expenses	Estimated amount of net proceeds (HK\$'000)	Estimated percentage of net proceeds (%)
Payment of staff's emoluments and related expenses	12,329	41.65
Payment of professional fees and other service costs	2,353	7.95
General working capital	<u>14,918</u>	<u>50.40</u>
Total:	<u><u>29,600</u></u>	<u><u>100.00</u></u>

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

On 13 November 2024, the Company entered into a placing agreement under which the Company agreed to allot and issue up to 135,450,000 new Shares to certain placees at a placing price of HK\$0.6 per placing share pursuant to the general mandate granted at the annual general meeting of the Company held on 27 June 2024. The placing was completed on 3 January 2025, whereby the net proceeds of approximately HK\$7.7 million were raised for the purpose of general working capital of the Group. Up to the date of this announcement, approximately HK\$7.4 million of the net proceeds have been utilised, and the remaining net proceeds are reserved for meeting the operating expenses of the Group in its ordinary course of business.

Save as disclosed above, the Company has 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:

Name of Shareholder	As at the date of this announcement		Immediately upon Completion ^(Note 1)	
	<i>No. of Shares</i>	<i>Approximate % of total number of Shares in issue</i>	<i>No. of Shares</i>	<i>Approximate % of total number of Shares in issue</i>
Beaming Elite Holdings Limited	740,480,000	54.13	740,480,000	52.22
Arena Investors, LP ^(Note 3)	257,065,000	18.79	257,065,000	18.13
The Placees	—	—	50,000,000	3.53
Other Public Shareholders	<u>370,385,000</u>	<u>27.08</u>	<u>370,385,000</u>	<u>26.12</u>
Total	<u>1,367,930,000</u>	<u>100.00</u>	<u>1,417,930,000</u>	<u>100.00</u>

Notes:

1. Assuming no change in total issued share capital of the Company other than the Placing.
2. Beaming Elite Holdings Limited is a company incorporated in the British Virgin Islands with limited liability and beneficially and wholly owned by Mr. Chan Ting.
3. According to the disclosure of interests filing available to the Company, Arena Investors, LP is an investment manager of and deemed to be interested in the Shares held by Arena Finance Markets, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Fund, LP, Arena Special Opportunities Partners II, LP and Arena Special Opportunities Partners (Cayman Master) II, LP.

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 27 June 2024
“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”	Ficus Technology 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: 8107)
“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 satisfied (or such later date as may be agreed between the Company and the Placing Agent)
“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 as at the date of the AGM
“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 to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 50,000,000 Placing Shares by the Placing Agent pursuant to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Glory Sun Securities Limited, being a corporation licensed under the SFO to perform Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

“Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 24 January 2025 in respect of the Placing
“Placing Price”	HK\$0.6 per Placing Share
“Placing Share(s)”	up to 50,000,000 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 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
Ficus Technology Holdings Limited
Mr. Chan Ting
Chairman and Executive Director

Hong Kong, 24 January 2025

As at the date of this announcement, the Board comprises (i) three executive Directors, namely, Mr. Chan Ting (Chairman), Mr. Cheuk Ka Chun Kevin and Ms. Chan Siu Sarah; and (ii) three independent non-executive Directors, namely Dr. Liu Ta-pei, Ir Prof. Young Andrew Meng Cheung and Mr. Choi Man On.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm 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 on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company’s website at www.ficustech.com.