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GoFintech Innovation Limited **國富創新有限公司**

*(formerly known as China Fortune Financial Group Limited 中國富強金融集團有限公司)
(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 290)

Website: <http://www.290.com.hk>

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



References are made to (i) the announcements (the “**Subscription Announcements**”) of GoFintech Innovation Limited (the “**Company**”) dated 1 September 2022 and 23 September 2022 in relation to, among other things, the subscription of new shares (the “**2022 Subscription**”); and (ii) the announcement of the Company dated 28 December 2022 in relation to, among other things, the Placing (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide additional information regarding (i) the intended use of proceeds from the Placing; and (ii) the actual utilisation of the proceeds raised in the 2022 Subscription.

FURTHER DETAILS OF THE USE OF PROCEEDS WITH RESPECT TO THE PLACING

As disclosed in the Announcement, assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the maximum gross proceeds and net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$57.11 million and HK\$56.82 million respectively. The maximum net proceeds from the Placing in the amount of HK\$56.82 million (the “**Placing Net Proceeds**”) represent a net issue price of approximately HK\$0.2587 per Placing Share.

The breakdown of the intended use for the Placing Net Proceeds by the Company is set out as follows:

- (A) Approximately HK\$25.57 million, being approximately 45.00% of the Placing Net Proceeds, will be utilised for the replenishment of the working capital of the Company for the Company’s development on margin business, asset management business and money lending business with detailed breakdown as follows:
- (1) Approximately HK\$2.00 million is proposed to be utilised for the development on margin business;
 - (2) Approximately HK\$1.57 million is proposed to be utilised for the development on asset management business; and
 - (3) Approximately HK\$22.00 million is proposed to be utilised for the development on money lending business.

The Placing Net Proceeds in the amount of approximately HK\$25.57 million allocated to the above specific purposes is anticipated to be fully utilised within the next 12 months.

- (B) Approximately HK\$22.73 million, being approximately 40.00% of the Placing Net Proceeds will be utilised for financing private equity and/or securities investment opportunities in Hong Kong and the PRC with detailed breakdown as follows:
- (1) Approximately HK\$18.00 million is proposed to be utilised for financing the private equity and/or securities investment opportunities in Hong Kong; and
 - (2) Approximately HK\$4.73 million is proposed to be utilised for financing the private equity and/or securities investment opportunities in the PRC.

The above approximately 40.00% of the Placing Net Proceeds is being reserved to finance such private equity and/or securities investment opportunities both in Hong Kong and the PRC, as and when suitable opportunity arises. As at the date of this announcement, such opportunity has not emerged. Further announcement(s) relating to the above investment opportunities on financing private equity and/or securities will be made by the Company as and when appropriate and in accordance with the Listing Rules. However, since it is expected that the global economy may recover from the COVID-19 pandemic in 2023, the Board is of the view that suitable investment opportunities may emerge and materialise soon, and the aforementioned net proceeds of the Placing in the amount of approximately HK\$22.73 million is anticipated to be fully utilised within the next 12 months.

(C) Approximately HK\$8.52 million, being approximately 15.00% of the Placing Net Proceeds will be utilised for the general working capital of the Group, including the payment of salary, rental expenses, IT services and other office overhead of the Group. The following itemised list demonstrates the specific intended application of the net proceeds of the Placing in the amount of approximately HK\$8.52 million:

- (1) Approximately HK\$6.10 million is proposed to be utilised for the payment of salary;
- (2) Approximately HK\$1.25 million is proposed to be utilised for the payment of rental expenses;
- (3) Approximately HK\$0.17 million is proposed to be utilised for the maintenance of IT Services; and
- (4) Approximately HK\$1.00 million is proposed to be utilised for the payment of other office overhead.

It is anticipated that the Placing Net Proceeds in the amount of approximately HK\$8.52 million allocated for the Group's general working capital will be utilised in the next 2 months.

FURTHER DETAILS OF THE ACTUAL UTILISATION OF PROCEEDS WITH RESPECT TO THE 2022 SUBSCRIPTION

As disclosed in the Subscription Announcements with respect to the 2022 Subscription, the net proceeds raised was in the approximate amount of HK\$56.50 million (the “**Net Previous Proceeds**”). The following sets out the proposed utilisation of the Net Previous Proceeds according to the Subscription Announcements:

- (A) Approximately HK\$28.25 million, being approximately 50% of the Net Previous Proceeds to be utilised for financing the private equity and/or securities investment opportunities both in Hong Kong and the PRC;
- (B) Approximately HK\$19.77 million, being approximately 35% of the Net Previous Proceeds to be utilised for investment in potential new projects to be identified by the Group in the future; and
- (C) Approximately HK\$8.48 million, being approximately 15% of the Net Previous Proceeds to be utilised as general working capital of the Group.

As at the date of the announcement, all the Net Previous Proceeds have been utilised as intended with the following breakdown:

- (A) Approximately HK\$28.25 million, being approximately 50% of the Net Previous Proceeds was utilised for financing the private equity and/or securities investment opportunities both in Hong Kong and the PRC, comprised (1) approximately HK\$2.00 million as the net investment amount poured in securities fund investment by means of an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands; (2) approximately HK\$12.00 million as the net investment

amount poured in private equity fund by means of an exempted company incorporated with limited liability registered as a segregated portfolio company under the laws of the PRC focusing on private equity/venture capital investment in Fintech, ESG sector, etc.; (3) approximately HK\$12.00 million as the net investment amount poured in private securities fund by means of an exempted company incorporated with limited liability registered as a segregated portfolio company under the laws of the PRC focusing on private company bonds and convertible bonds, etc.; and (4) approximately HK\$2.25 million as the corresponding costs and expenses incurred for financing the aforementioned investments;

- (B) Approximately HK\$19.77 million, being approximately 35% of the Net Previous Proceeds was utilised for investment in new projects, comprised (1) approximately HK\$4.00 million as the net investment amount for acquiring shares in an asset-management company registered with Asset Management Association of China; (2) approximately HK\$10.00 million as the net investment amount for financing the money lending business of the Company; (3) approximately HK\$5.00 million as the net investment amount poured in securities fund investment by means of an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands; and (4) approximately HK\$0.77 million as the corresponding costs and expenses incurred for financing the aforementioned investment projects; and
- (C) Approximately HK\$8.48 million, being approximately 15% of the Net Previous Proceeds was utilised for general working capital of the Group, comprised (1) approximately HK\$3.16 million for the payment of operating costs and expenses for October 2022; (2) approximately HK\$3.56 million for the payment of operating costs and expenses for November 2022; and (3) approximately HK\$1.76 million for the payment of operating costs and expenses for December 2022.

PROSPECTS OF FUNDRAISING ACTIVITIES OF THE COMPANY

As at the date of this announcement, the Company does not have any agreement, arrangement, understanding, or negotiation (either concluded or in process) on any potential fundraising activities. Furthermore, as at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Company has no concrete plan to conduct other fundraising activities within the next 12 months.

However, taking into account the capital-intensive nature of the Company's principal business, the Company cannot rule out any possibility for conducting fundraising activities in the next 12 months.

Since the General Mandate will be fully utilised upon the Completion of the Placing, any further equity fundraising activities prior to the next annual general meeting of the Company may be subject to the Shareholders' approval pursuant to the Listing Rules and other applicable laws. Therefore, in case that suitable fundraising opportunities may arise hereafter, the Company will fully comply with relevant requirements pursuant to the Listing Rules and duly obtain the Shareholders' approval (as the case may be) in order to appropriately protect the Shareholders' interest.

Further announcement(s) will be made by the Company with regards to any potential fundraising activities as and when appropriate and in accordance with the Listing Rules.

For other details of the Placing, please refer to the Announcement.

As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

By order of the Board
GoFintech Innovation Limited
LIU Zhiwei
Chairman and Executive Director

Hong Kong, 12 January 2023

As at the date of this announcement, the Board consists of three executive Directors, namely Dr. LIU Zhiwei (Chairman), Ms. SUN Qing and Mr. LIU Haoyuan; one non-executive Director, namely Mr. HAN Hanting; and three independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Mr. LI Gaofeng.