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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

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

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders



瓏盛資本有限公司
Draco Capital Limited

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution(s) at the EGM.

As the proposed grant of the Refreshed General Mandate is to be proposed to the Shareholders prior to the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, such proposal is subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM. Accordingly, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and all their respective associates shall abstain from voting in favour of the relevant resolution(s) to approve the proposed grant of the Refreshed General Mandate.

An EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the proposed grant of the Refreshed General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Mr. LI Gaofeng, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A circular containing, among others, information regarding the proposed grant of the Refreshed General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, together with a notice of EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution(s) at the EGM.

EXISTING GENERAL MANDATE

At the 2022 AGM, the Shareholders approved, among other things, the grant of a general mandate which authorised the Directors to allot, issue and deal with not more than 219,661,577 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the 2022 AGM).

Following the completion of the Placing of 219,660,000 new Shares on 17 January 2023, approximately 100% of the Existing General Mandate has been utilised by the Company. Details of such Placing of the new Shares are set out in the Placing Announcements.

As at the date of this announcement, the Company had not made any refreshment of the Existing General Mandate since the 2022 AGM. As at the date of this announcement, there are 91,530,788 outstanding share options of the Company exercisable into 91,530,788 Shares pursuant to the terms and conditions of the share option scheme of the Company adopted on 2 September 2021. Save and except to the share options aforementioned, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

REFRESHED GENERAL MANDATE

As at the date of this announcement, approximately 100% of the Existing General Mandate has been utilised. The Company will convene the EGM at which ordinary resolution(s) will be proposed to the Independent Shareholders that the Directors be granted the Refreshed General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution(s) at the EGM.

The Refreshed General Mandate proposed will, if granted, expire at the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws and regulations to be held; or

- (iii) the date on which the authority set out in the resolution for the approval of the Refreshed General Mandate is revoked or varied by the passing of an ordinary resolution of the Shareholders in general meeting.

Subject to the Independent Shareholders' approval of the Refreshed General Mandate, and assuming that no other Shares will be issued and/or repurchased by the Company on or prior to the date of the EGM, the Shares in issue as at the date of the EGM would be 1,317,967,885 Shares. Correspondingly, under the Refreshed General Mandate, the Directors would be authorised to allot, issue and deal with not more than 263,593,577 new Shares, representing 20% of the Shares in issue as at the date of this announcement.

REASONS FOR THE PROPOSED GRANT OF THE REFRESHED GENERAL MANDATE

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in securities and insurance brokerage and provision of asset management, corporate finance, margin financing and money lending services as well as investment business, with operations in Hong Kong and offices in the PRC. The Group is also vigorously developing innovative technology-related business.

As a result of the completion of the Placing as disclosed in the Placing Announcements, approximately 100% of the Existing General Mandate has been utilised by the Company. It is also expected that the next annual general meeting will be held in around September 2023, which is about six months from the date of this announcement. With the Group's continuous dedication to maximise value for the Shareholders, the Group is continuously searching for fresh opportunities with exploration made in the Group's current business segments to broaden the revenue and profit base of the Group. In light of the capital-intensive nature of the Group's principal businesses, being its margin business, asset management business and money lending business on one hand, and the financing of private equity and/or securities investment opportunities on the other, it is important for the Company be granted the Refreshed General Mandate, with authorisation for the Directors to issue new Shares under the refreshed limit and provide the Company with the flexibility and ability to capture any appropriate capital raising opportunities in a timely manner, so as to achieve the Group's dedication as mentioned above.

The Directors have considered other financing alternatives apart from equity financing under general mandate such as debt financing, right issue, open offer or internal cash resources to meet such funding needs of the Group, if appropriate, taking into consideration the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. However, debt financing may be subject to lengthy due diligence and negotiations as compared to the equity financing capacity available to the Directors if the proposal on the Refreshed General Mandate is granted. Furthermore, if the Company proceed with debt financing, the upward trend of interest rates will burden the financial conditions and cash-flow of the Group.

As for other equity financing approaches, rights issue or open offer may also involve substantial time and costs to complete as compared to equity financing by issuance of new Shares under general mandate.

In light of the above, the Directors are of the view that as compared with the alternative financing means contemplated above, the proposal on the Refreshed General Mandate, if granted, would allow the Company to avoid uncertainties arisen from time required for such alternative financing methods. As such, the Directors consider that the granting of the proposal on Refreshed General Mandate being justifiable to meeting funding needs and working capital requirements from time to time before the next annual general meeting of the Company, and accordingly, is in the best interests for the Company and its Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plan, nor does it have any agreement, arrangement, understanding, or negotiation (either concluded or in process) on any fundraising activities by issuing and allotting new Shares by utilising the Refreshed General Mandate. In light of the potential business expansion strategies of the Group contemplated above and the capital-intensive nature of the Company's principal business, the Company cannot rule out any possibility for formulating concrete fundraising activities within the next 12 months.

LISTING RULES IMPLICATION

As the proposed grant of the Refreshed General Mandate is to be proposed to the Shareholders prior to the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, such proposal is subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM. Accordingly, any controlling Shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and all their respective associates shall abstain from voting in favour of the relevant resolution(s) to approve the proposed grant of the Refreshed General Mandate.

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Company has no controlling shareholders. As a result, Dr. Liu Zhiwei, being an executive Director and the beneficial owner of 320,051,000 Shares (being approximately 24.28% of the entire issued share capital of the Company), together with his associates, are required to abstain from voting in favour of the ordinary resolution regarding the proposed grant of the Refreshed General Mandate at the EGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, save for the aforesaid, no other Shareholder is required to abstain from voting on the proposed resolution(s) on the proposed grant of the Refreshed General Mandate at the EGM.

EGM

An EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the proposed grant of the Refreshed General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Mr. LI Gaofeng, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A circular containing, among others, information regarding the proposed grant of the Refreshed General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, together with a notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2022 AGM”	the annual general meeting of the Company held and convened on 27 September 2022
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	GoFintech Innovation Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 0290)
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the proposed grant of the Refreshed General Mandate by the Independent Shareholders
“Existing General Mandate”	the general mandate granted at the 2022 AGM by the ordinary resolution of the Shareholders to the Directors to allot, issue and deal with not more than 219,661,577 Shares, being 20% of the total number of issued Shares as at the date of the 2022 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 Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Mr. LI Gaofeng, to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate
“Independent Financial Adviser”	Draco Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Independent Shareholders”	Shareholder(s) other than any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executives of the Company and all their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the Placing of 219,660,000 new Shares, which was completed on 17 January 2023
“Placing Announcements”	announcements of the Company dated 28 December 2022, 12 January 2023 and 17 January 2023 respectively, in relation to, amongst other things, the Placing
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Refreshed General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the EGM
“Share(s)”	the ordinary share(s) in the issued share capital of the Company, in the par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong

“trading day”

means a day on which the Exchange is open for the trading of securities

“%”

per cent

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

Hong Kong, 14 April 2023

As at the date of this announcement, the Board consists of four executive Directors, namely Dr. LIU Zhiwei (Chairman), Mr. HUA Yang (Chief Executive Officer), 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.