THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **GoFintech Innovation Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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 GENERAL MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

瓏盛資本有限公司
Draco Capital Limited

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A letter from the Board is set out on pages 4 to 17 of this circular. A notice convening the EGM to be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 11 July 2023 at 11 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

20 June 2023

CONTENTS

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms or 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)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"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 SFO
"Independent Shareholder(s)"	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
"Latest Practicable Date"	16 June 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"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 circular, 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
"RMB"	Renminbi, the official currency of the PRC
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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
"Subscription"	the subscription of 183,000,000 new Shares, which was completed on 23 September 2022
"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

The English text of this circular, the notice of the EGM and accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

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

Executive Directors
Dr. LIU Zhiwei *(Chairman)*
Mr. HUA Yang *(Chief Executive Officer)*
Ms. SUN Qing
Mr. LIU Haoyuan

Non-executive Director
Mr. HAN Hanting

Independent non-executive Directors
Mr. CHAN Kin Sang
Mr. CHIU Kung Chik
Mr. LI Gaofeng

Registered office
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong
Units No. 4102-06
41/F., COSCO Tower
183 Queen's Road Central
Hong Kong

20 June 2023

To the Shareholders

Dear Sir/Madam

PROPOSED REFRESHMENT OF GENERAL MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Company's announcement dated 14 April 2023 in relation to the proposed grant of the Refreshed General Mandate.

The purposes of this circular are to provide you with, among other things, (i) further details of the Refreshed General Mandate; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Refreshed General Mandate; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshed General Mandate; and (iv) notice of the EGM. In the EGM, such necessary resolution(s) will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Refreshed General Mandate.

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 the Placing are set out in the Placing Announcements.

As at the Latest Practicable Date, the Company had not made any refreshment of the Existing General Mandate since the 2022 AGM. As at the Latest Practicable Date, pursuant to the terms and conditions of the Company's share option scheme adopted on 2 September 2021, the scheme limit allows the Company to grant share options for up to 91,530,788 Shares, representing 10% of the total number of Shares in issue as at the adoption date of such share option scheme. Save and except to the aforementioned, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

REFRESHED GENERAL MANDATE

As at the Latest Practicable Date, 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.

As at the Latest Practicable Date, the Company had an aggregate of 1,317,967,885 Shares in issue. 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 Latest Practicable Date.

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.

In assessing the needs for the proposed grant of the Refreshed General Mandate, the Board has considered the followings:

(i) The full utilisation of the Existing General Mandate

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 late September 2023, which is more than five months from the date of the Company's announcement dated 14 April 2023 and about three months from the Latest Practicable Date. Accordingly, the Company loses its flexibility to promptly raise funds for its needs in businesses and operations for a substantial period of time.

Based on unaudited management accounts of the Company as at 31 March 2023, the cash and cash equivalent of the Group was approximately HK$111.75 million and its intended and actual utilisation are as follows:

(i) approximately HK$56.00 million is reserved to maintain and comply with the regulatory requirement in respect of liquid capital level for the operations of the licensed corporations carrying out regulated activities under the SFO at all time;

(ii) approximately HK$17.15 million is reserved to repay corporate bonds and the interest accrued therefrom which will become due and payable by June and October 2023;

(iii) approximately HK$10.99 million, being unutilised proceeds raised in the Placing, will be fully utilised for the margin business, asset management business and money lending business currently operated by the Group within the upcoming three months; and

(iv) the remainder, being approximately HK$27.61 million, is reserved to serve as the general working capital of the Group. As at the Latest Practicable Date, approximately HK$8.39 million was consumed for such intended purpose, and the unutilised portion remains reserved for the Group's general working capital, which has been expected to increase owing to the Group's development with respect to its intended increase in staff members and the upgrading of such systems in connection with the securities business and asset management business segments.

In view of the above, the Group's existing internal cash resources have been designated to reserve for different purposes including (i) the utilisation of net proceeds raised under the Placing in accordance with such utilisation plan contemplated in the Placing Announcements; (ii) the expenses incurred for the Group's operation and maintenance; and (iii) the repayment of indebtedness. Therefore, as at the Latest Practicable Date, the Group had no spare cash resources that could be allocated to cater for the Group's potential business expansion. For the details of the Group's potential business expansion, please refer to the below sub-section with heading "**(ii) The Group's potential business expansion**".

As at the Latest Practicable Date, it was anticipated that the Company has (i) accounts payable in the sum of approximately HK$4.00 million due and payable by the end of 2023; and (ii) corporate bond in the sum of approximately HK$3.43 million becoming due and payable in June 2023, the Board expects that the existing internal cash resources and the anticipated revenue of the Group would be substantially used to repay the above sums and cover operational expenses of the Group. Therefore, the Board is of the view that it is unnecessary for the Company to settle the above by way of seeking for specific mandate from the Shareholders.

In addition, approximately HK$10.99 million, representing approximately 19.34% of the total net proceeds raised in the Placing, remained unutilised as at the Latest Practicable Date. Taking into account the rapid development on the current margin business, asset management business and money lending business of the Group, it is expected that such amount will be fully utilised within the upcoming three months.

In view of the above, the Board is of the view that, without any fundraising activities under the Refreshed General Mandate (if granted by the Independent Shareholders), the existing level of the Company's capital resources is insufficient for the Company's need of capital regarding its continuing development and expansion of businesses, which are of capital-intensive nature. Further, as elaborated in details below, the seeking of the proposed Refreshed General Mandate to be granted targets to permit the Company such flexibility for the catering of the Group's potential business expansion and the prompter reaction when fundraising opportunities arise. Therefore, it is important for the Company be granted the Refreshed General Mandate to reinstate such flexibility, 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 at short notice and in a timely manner.

(ii) The Group's potential business expansion

With the Group's continuous dedication to maximise value for the Shareholders, the Group is continuously seeking fresh opportunities with exploration made in the Group's current business segments to broaden the revenue and profit base of the Group.

As at the Latest Practicable Date, the Company had the following business opportunities with details as follows:

(i) Investment sum to be made for the registered capital for a partnership on private equity fund under the Qualified Domestic Limited Partnership program in the sum of approximately RMB10 million;

(ii) Investment sum to be made on a financial technology project (with a focus on algorithmic trading system and robo-advisory SaaS running on artificial intelligence) for a subsidiary of the Company, in the sum of approximately RMB5 million; and

(iii) Investment sum to be made on a cryptocurrency exchange registered and operating in Hong Kong, which is currently deemed to be a licensed Virtual Asset Trading Platform under the applicable regulation of the SFC, in the sum of approximately HK$30 million.

In respect of the above business opportunities, the investment sum to be injected under item (i) has to be made upon approval of the regulatory authority in the PRC is obtained, which is anticipated to be available before the end of August 2023. For items (ii) and (iii), pursuant to negotiations for the respective investments, the Company is required to pay the said sum above before the end of July 2023. Failure of payment in accordance with the expected timeline will result in the lapse of such business opportunities.

Moreover, the Group is considering the potential expansion in terms of staff and upgrading and improvement of the systems regarding the securities business and asset management business segments, and such strengthening of business segments necessitate fundraising in addition to the internal cash resources of the Group (which, as elaborated above, had its designated utilisation purposes as at the Latest Practicable Date), and therefore, such fundraising will only be made available with the granting of Refreshed General Mandate.

As at the Latest Practicable Date, save and except for the above, the Company had no concrete plan, nor did it have any agreement, arrangement, understanding, or negotiation (either concluded or in process) on expansion on the Group's principal businesses. However, having taken into account (a) the speedy recovery of the global economy and the capital markets of both Hong Kong and the PRC; and (b) the capital-intensive nature of the Company's principal businesses as contemplated above, the Company cannot rule out any possibility for further business expansion which may give rise to fundraising opportunities in the upcoming twelve months, and with the impending business expansion detailed above, such fundraising opportunities may arise within the coming three months in particular.

Therefore, it is important for the Company to be granted the Refreshed General Mandate, with authorisation for the Directors to issue new Shares under the refreshed limit, and be provided with the flexibility and ability to capture any appropriate capital raising opportunities at short notice and in a timely manner, so as to achieve the Group's dedication aforementioned, especially in light of the Company potentially losing certain imminent business opportunities as explained above without the granting of the Refreshed General Mandate.

(iii) Disadvantages of other alternative financing methods

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 the immediate 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.

(a) Debt Financing

Firstly, debt financing such as bank borrowing will incur interest burden to the Group, thus weakening the financial position of the Group by increasing its gearing ratio, especially in light of the current upward trend of interest rates. Secondly, the Group may be subject to due diligence and negotiations for approximately two to three months, including assessment to the Group's profitability, financial position and the then prevailing market condition. It is thus possible that the Group may either receive insufficient funds for its needs or receive sufficient funds under harsh financing conditions. Thirdly, debt financing may involve pledge of the Group's assets, potentially impairing the Group's flexibility in managing its portfolio including but not limited to the realisation of its investments. Given the above considerations, the Directors consider debt financing to be relatively uncertain and time-consuming and thus not commercially viable, as compared to equity financing for the Group to obtain additional funding.

(b) Rights Issue or Open Offer

By market practice, rights issues and open offers usually take around four months to complete. As a result of such lengthy process, it may cause the Company to lose other potential opportunities, since a rights issue or an open offer may involve (i) identifying underwriter(s) under favourable terms; (ii) substantial time for extra administrative work for preparation and issue of related documents such as prospectus and application forms for acceptance of the rights issue or open offer and appointment of reporting accountants to report on unaudited pro forma financial information to be included in the prospectus; and incurring certain amount of fixed costs such as expenses in relation to engagement of professional advisers, printing charges in connection with documents such as prospectus and application forms, cost associated with registration and despatch of new Shares to a large number of Shareholders. As a result, rights issues or open offers may involve substantial time and costs to complete.

Additionally, the Board is of the view that for rights issue and open offers under a relatively volatile market conditions may lead to the unpredictability of the fund-raising size if the conducting of such equity financing is on a non-underwritten basis, and on the other hand, such equity financing conducted on a fully underwritten basis may result in higher underwriting commission and accordingly, it will not be beneficial to the Company and the Shareholders as a whole.

(c) Allotment and Issue of new Shares under specific mandate

The Board is of the view that given the volatility of the capital market, time is of the essence in terms of securing suitable investment opportunities for the Company. Unlike other industries and businesses, the Company's private equity and securities investment and other businesses of investment nature innately require the Company to react to and grasp valuable investment opportunities in a timely manner when they arise. Therefore, allotment and issue of new Shares under specific mandate may not be suitable for the purpose of capturing equity fundraising opportunities in a timely manner, because even after the terms of the proposed new Shares issuance are finalised, there are regulatory compliance formalities in respect of the Listing Rules associated with the holding of an extraordinary general meeting of the Company to obtain the Shareholders' approval. On the other hand, the Refreshed General Mandate will be a more expeditious solution for the Company to respond quickly to market conditions and fundraising opportunities.

Without the flexibility of the Refreshed General Mandate, which if granted by the Independent Shareholders in the upcoming EGM, will be standing ready to be utilised, the Company may forgo favourable capital raising occasions in the stock market and be restrained to raise fund via the more time-consuming manner for seeking specific mandate from the Shareholders and thereby running the risks of losing potential investors which are unlikely to be willing to defer their investment decisions and wait for the grant of Shareholders' approval in general meeting(s) of the Company to be convened.

With regards to the issue of Shares under the Refreshed General Mandate (if granted to the Directors), the process usually takes approximately one month and minimal cost is involved. 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 and minimise financial burden arisen from time and costs 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.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Set out below are the fund-raising activities of the Company in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
28 December 2022, 12 January 2023 and 17 January 2023	Placing of new shares	HK$56,820,000.00	45% 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; 40% for financing private equity and/or securities investment opportunities; and 15% for utilisation on the general working capital of the Group	Save and except for approximately HK$10.99 million remains unutilised for the intended use on the replenishment of the working capital of the Company for the Company's development on margin business, asset management business and money lending business, the rest of the net proceeds raised in the Placing had been used as intended.
1 September 2022, 23 September 2022 and 2 June 2023	Subscription of new shares	HK$56,500,000.00	50% for financing the private equity and/or securities investment opportunities both in Hong Kong and the PRC; 15% as general working capital of the Group; and 35% for investment in potential new projects to be identified by the Group in the future	Used as intended

Save as disclosed above, the Company has not conducted any equity fundraising activity within the 12-month period prior to the Latest Practicable Date.

Taking into account the equity fundraising activities disclosed above, with reference to:

(a) the shareholding of the public Shareholders as at the date immediately before the completion of subscription of new Shares taken place in September 2022 (i.e. 419,097,885 Shares); and

(b) the total issued share capital of the Company as at:

  (i) the date immediately before the completion of subscription of new Shares taken place in September 2022 (i.e. 915,307,885 Shares); and

  (ii) immediately upon the completion of placing of new Shares on 17 January 2023 (i.e. 1,317,967,885 Shares),

the public Shareholders' shareholding decrease from approximately 45.79% to approximately 31.80%, giving rise to the aggregate dilution impact of approximately 13.99% within the 12-month period prior to the Latest Practicable Date.

With reference to the announcement of the Company dated 2 June 2023 and details therein, the Board is aware of certain non-compliance which took place owing to the non-disclosure of a subscriber of the Subscription being a connected person (details of which are disclosed in the announcements of the Company dated 1 September 2022 and 23 September 2022), and is of the view that such non-compliance on the part of the Company pursuant to Chapter 14A of the Listing Rules are inadvertent in nature.

POTENTIAL DILUTION TO THE SHAREHOLDERS' SHAREHOLDING

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 Latest Practicable Date; and (ii) immediately upon the full utilisation of the Refreshed General Mandate (assuming (a) there is no change in the share capital of the Company from Latest Practicable Date up to the date of the full utilisation of the Refreshed General Mandate; and (b) none of the new Shareholders has become a substantial Shareholder upon the full utilisation of the Refreshed General Mandate (as defined under the Listing Rules) is set out as follows:

Shareholders	**As at the Latest Practicable Date**		**Immediately upon the full utilisation of the Refreshed General Mandate**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Mr. Liu Zhiwei and his associates	320,051,000	24.28	320,051,000	20.24
Jadehero Limited ("**Jadehero**") *(Note)*	80,000,000	6.07	80,000,000	5.06
Santo Limited ("**Santo**") *(Note)*	141,643,000	10.75	141,643,000	8.95
Public Shareholders (new Shareholders upon the full utilisation of the Refreshed General Mandate excluded)	776,273,885	58.90	776,273,885	49.08
New Shareholders upon the full utilisation of the Refreshed General Mandate	0	0	263,593,577	16.67
Total:	**1,317,967,885**	**100.00**	**1,581,561,462**	**100.00**

Note: Jadehero is owned as to 80% by Southlead Limited ("**Southlead**"). Southlead and Santo are wholly-owned by Whole Advance Limited, which is wholly-owned by Liberal Expansion Limited, and in turn, Liberal Expansion Limited is wholly-owned by Mr. Zhao Xu Guang.

As at the Latest Practicable Date, the shareholding of the existing public Shareholders was approximately 58.90%. Immediately after full utilisation of the Refreshed General Mandate, the shareholding of the existing public Shareholders will decrease to approximately 49.08%, representing a dilution effect of approximately 9.82%.

In view of the above, having considered that (i) the Refreshed General Mandate allows the Company to raise capital by allotment and issue of new Shares before the next annual general meeting of the Company; (ii) the Refreshed General Mandate provides the Company with more flexibility for financing of the Group as well as to capture any appropriate capital raising opportunities at short notice and in a timely manner together with such business benefits to be derived under the Group's potential business expansion based on the grant of the Refreshed General Mandate; and (iii) using alternative financing methods suggested above are comparatively more costly, time-consuming and less efficient than the issuance of new Shares under the Refreshed General Mandate, the Directors consider that the advantages of the grant of Refreshed General Mandate outweigh the aggregated dilution effect on the shareholding of the public Shareholders. Accordingly, the Directors (including the independent non-executive Directors whose views are contained in the letter from the Independent Board Committee as set out in this circular after considering the advice from the Independent Financial Adviser) are of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

EGM & IMPLICATIONS UNDER THE LISTING RULES

The Company will convene the EGM at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 11 July 2023 at 11 a.m. to consider and, if thought fit, approve, among other things the proposed grant of the Refreshed General Mandate. A notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular.

As the 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 Latest Practicable Date, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Company had 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(s) regarding the proposed grant of the Refreshed General Mandate at the EGM.

Save as disclosed above and to the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, there were (i) no Shareholder that was required under the Listing Rules to abstain from voting at the EGM; (ii) no Shares entitling the Shareholder to attend and abstain from voting in favour of the proposed resolution(s) on the proposed grant of the Refreshed General Mandate at the EGM; (iii) no restriction on any Shareholders casting votes on the proposed resolution(s) regarding the proposed grant of the Refreshed General Mandate at the EGM; (iv) no Shareholder who was entitled to attend and vote at the EGM but was only entitled to vote against the proposed resolution(s) regarding the proposed grant of the Refreshed General Mandate at the EGM; and (v) no Shareholders have stated their intention in the Circular to vote against or to abstain from voting on the proposed resolution(s) regarding the proposed grant of the Refreshed General Mandate at the EGM.

The votes to be taken at the EGM will be taken by poll, the results of which will be announced after the EGM.

A form of proxy for the EGM is enclosed. Whether or not you wish to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM (or any adjournment thereof). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) if you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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 in respect of the proposed grant of the Refreshed General Mandate. The Independent Board Committee shall consider and, if appropriate, make a recommendation to the Independent Shareholders as to whether (a) the proposed grant of the Refreshed General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (b) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. None of the independent non-executive Directors in the Independent Board Committee has any interest in the proposed grant of the Refreshed General Mandate to be proposed in the EGM.

Draco Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

RECOMMENDATIONS

Your attention is drawn to the section headed "Letter from the Independent Board Committee" as set out on pages 18 to 19 of this circular which contains its recommendation to the Independent Shareholders on the proposed grant of the Refreshed General Mandate. Your attention is also drawn to the letter of advice from Draco Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 20 to 38 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, the casting of votes for or against the resolution(s) approving the above, as well as the principal factors and reasons considered by it in concluding its advice.

The Directors (including the independent non-executive Directors, whose opinions and recommendation, after considering the advice from the Independent Financial Adviser, are set out in the section headed "Letter from the Independent Board Committee" in this circular) are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interests of the Company and its Shareholders as a whole, and they recommend the Independent Shareholders to vote in favour of the resolution(s) at the EGM.

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

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

20 June 2023

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular dated 20 June 2023 issued by the Company (the "**Circular**"), of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the proposed grant of the Refreshed General Mandate and to advise the Independent Shareholders as to the fairness and reasonableness of the aforesaid matters, and to recommend how the Independent Shareholders should vote at the EGM. Draco Capital Limited has been appointed as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 17 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the proposed grant of the Refreshed General Mandate, as set out on pages 20 to 38 of the Circular.

Having taken into account of the advice of the Independent Financial Adviser, we consider that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the proposed grant of the Refreshed General Mandate are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,
the Independent Board Committee

Mr. CHAN Kin Sang	**Mr. CHIU Kung Chik**	**Mr. LI Gaofeng**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from Draco Capital Limited setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

瓏盛資本有限公司
Draco Capital Limited

4/F Connaught Harbourfront House
35 Connaught Road West,
Sheung Wan, Hong Kong

20 June 2023

To the Independent Board Committee and the Independent Shareholders of
GoFintech Innovation Limited

Dear Sir or Madam,

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 20 June 2023 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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 such, the Board proposed grant of the Refreshed General Mandate for the Directors to allot and issue new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(4) of the Listing Rules, as the grant of the Refreshed General Mandate is proposed to be made before the next annual general meeting of the Company, it will be subject to Independent Shareholders' approval by way of an ordinary resolution at the EGM. Any controlling Shareholders and their associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

As at the Latest Practicable Date, 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 Latest Practicable Date, 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.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Chan Kin Sang, Mr. Chiu Kung Chik and Mr. Li Gaofeng, all being independent non-executive Directors, has been established to advise the Independent Shareholders on whether the refreshment of Existing General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to voting. We, Draco Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

In the last two years, prior to the Latest Practicable Date, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Group and its associates that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence as defined under Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the "**Management**"); and (iv) our review of the relevant public information.

We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon and continue to be so up to the date of the EGM. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and continue to be so up to the date of the EGM and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM. Independent Shareholders will be informed of any material change of information and the representations made or referred to in the Circular as soon as possible up to the date of the EGM.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. In formulating our recommendation in relation to the proposed grant of the Refreshed General Mandate and pursuant to Rule 13.80(2), we have obtained and reviewed the relevant information in relation to the proposed grant of the Refreshed General Mandate, among others, (i) the annual report for the year ended 31 March 2022 of the Company (the "**2022 Annual Report**"); (ii) the interim report for the six months ended 30 September 2022 (the "**2022 Interim Report**"); (iii) the recent announcements of the Company; and (iv) the information set out in the Circular.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the

Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the proposed grant of the Refreshed General Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1 BACKGROUND INFORMATION OF THE PARTIES TO THE AGREEMENTS

1.1 INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 290).

The Company is an investment holding company and its subsidiaries are principally engaged in securities and insurance brokerage and provision of asset management, corporate finance, margin financing and money lending services.

1.2 FINANCIAL PERFORMANCE ON THE GROUP

FY2022 vs FY2021

With reference to the 2022 Annual Report, for the year ended 31 March 2022 ("**FY2022**"), revenue and net investment losses of the Group amounted to approximately HK$55,336,000 representing a decrease of approximately 63.27% from approximately HK$150,670,000 for the year ended 31 March 2021 ("**FY2021**"). The decrease was mainly attributable to a certain decrease in the revenue of each segment of the Group and a net investment loss from investment in financial assets.

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. During FY2022, the business of securities brokerage and margin financing recorded a revenue of approximately HK$37,222,000, representing a decrease of approximately 27.04% as compared to the revenue of approximately HK$51,014,000 for FY2021.

The segment loss for FY2022 amounted to approximately HK$476,000 (FY2021: segment profit approximately HK$11,635,000), representing a decrease in profit of approximately 104.09% as compared with FY2021.

The Group's strategy is to focus and strengthen existing securities operation and work in close collaboration with our corporate finance business as well as wealth management business, in order to provide a one-stop integrated financial services to better serve our institutional and high net worth individual clients.

The corporate finance market was under a keen competition during FY2022. Segment revenue from corporate finance business decreased by approximately 82.09% from approximately HK$38,207,000 to approximately HK$6,844,000 while the segment loss for FY2022 amounted to approximately HK$11,652,000 (FY2021: segment profit approximately HK$319,000).

During FY2022, the money lending market was under intensive competition locally. The Group recorded an interest income from money lending of approximately HK$8,348,000 (FY2021: approximately HK$31,354,000), representing a decrease of approximately 73.38% as compared with FY2021.

During FY2022, the Group recorded a segment revenue from consultancy services and insurance brokerage services of approximately HK$1,242,000 (FY2021: approximately HK$1,487,000), representing a reduction of approximately 16.48% as compared with FY2021.

During the FY2022, the Group recorded a segment revenue and net investment loss from asset management of approximately HK$1,774,000 (FY2021: segment revenue and net investment gains approximately HK$23,153,000), representing a decrease in segment revenue of approximately 92.34% as compared with FY 2021. The increase in segment loss was mainly attributable to a net investment loss from investment in financial assets and reduction of financial assets investment during FY2022.

The Group recorded a loss of approximately HK$79,309,000 for FY2022, as compared with the loss of approximately HK$13,495,000 for the FY2021. Net loss attributable to owners of the Company amounted to approximately HK$79,309,000 for FY2022, representing a increase of approximately 487.69% comparing with the loss of approximately HK$13,495,000 for FY2021. The overall performance of net loss attributable to owners of the Company was increased in FY2022 mainly due to (i) a decrease in revenue; (ii) a net investment losses from investment in financial assets; (iii) expected credit losses on loan and trade receivable; and (iv) impairment loss.

During FY2022, the Group mainly financed its operations by cash generated from operating activities and loans. As at 31 March 2022, the Group's current assets and current liabilities were approximately HK$492,586,000 (as at 31 March 2021: approximately HK$787,720,000) and approximately HK$321,401,000 (as at 31 March 2021: approximately HK$567,605,000) respectively, while the current ratio was about 1.53 times (as at 31 March 2021: 1.39 times). As at 31 March 2022, the Group's aggregate cash and cash equivalents amounted to approximately HK$190,418,000 (as at 31 March 2021: approximately HK$263,850,000)

Interim 2022 vs Interim 2021

For the six months ended 30 September 2022 ("**Interim 2022**"), revenue and net investment losses of the Group amounted to approximately HK$14,245,000, representing an increase of approximately 7.88% from approximately HK$13,204,000 for the six months ended 30 September 2021 ("**Interim 2021**").

During Interim 2022, the business of securities brokerage and margin financing recorded a revenue and net investment gains of approximately HK$3,581,000, representing a decrease of approximately 16.93% as compared to the revenue and net investment gains of approximately HK$4,311,000 for Interim 2021. The decrease in revenue was mainly contributed from the decrease of Group's underwriting business.

The segment loss for Interim 2022 amounted to approximately HK$6,470,000 (Interim 2021: approximately HK$1,777,000), representing an increase in segment loss of approximately 264.10% as compared with Interim 2021. The increase in segment loss was mainly contributed from the expected credit losses on trade receivables.

The corporate finance market was under a keen competition during Interim 2022. Segment revenue from corporate finance business decreased by approximately 3.39% from approximately HK$3,923,000 to approximately HK$3,790,000 while the segment profit for Interim 2022 amounted to approximately HK$19,864,000 as compared to a segment loss amounted to approximately HK$4,725,000 for Interim 2021. The increase in segment profit was mainly contributed from the other income resulted from waiver of debt.

During Interim 2022, there was intense competition in the money lending market. The Group recorded an interest income from money lending of approximately HK$1,459,000 (Interim 2021: approximately HK$4,981,000), representing a decrease of approximately 70.71% as compared with Interim 2021. The segment loss for Interim 2022 amounted to approximately HK$2,567,000 (Interim 2021: segment profit approximately HK$4,371,000).

During Interim 2022, the Group recorded a segment revenue from consultancy and insurance brokerage services of approximately HK$469,000 (Interim 2021: approximately HK$693,000), representing a decrease of approximately 32.32% as compared with Interim 2021.

During Interim 2022, the Group recorded a segment revenue and net investment losses from asset management of approximately HK$5,048,000 (Interim 2021: segment revenue and net investment losses approximately HK$619,000). The decrease in segment loss was mainly contributed from the increase in revenue generated from asset management business.

The Group recorded a loss attributable to owners of the Company of approximately HK$24,607,000 for Interim 2022, as compared with the loss of approximately HK$32,977,000 for Interim 2021. The improvement in losses for the period was mainly due to (i) a decrease in operating expenses due to property and equipment being fully impaired as at 31 March 2022; and (ii) a decrease in finance costs due to repayment of corporate bonds upon maturity.

As at 30 September 2022, the Group's current assets and current liabilities were approximately HK$387,084,000 (as at 31 March 2022: approximately HK$492,586,000) and approximately HK$196,502,000 (as at 31 March 2022: approximately HK$321,401,000) respectively, while the current ratio was about 1.97 times (as at 31 March 2022: about 1.53 times).

As at 30 September 2022, the Group's aggregate cash and cash equivalents amounted to approximately HK$141,354,000 (as at 31 March 2022: approximately HK$190,418,000.

2 REASONS FOR THE PROPOSED GRANT OF THE REFRESHED GENERAL MANDATE

The Existing General Mandate has been mostly utilised

The Existing General Mandate was granted to the Directors to allot and issue up to 219,661,577 Shares, representing 20% of the number of issued Shares of the Company when the relevant resolution was passed at the 2022 AGM. As at the Latest Practicable Date, the Existing General Mandate has been utilised as to 219,660,000 Shares, representing approximately 100% of the Existing General Mandate has been utilised by the Company.

Given the Existing General Mandate has been mostly utilised, the Board proposes to seek the approval from the Independent Shareholders to grant the Refreshed General Mandate at the EGM to allow the Company to capture any suitable fund-raising opportunities in a timely manner should funding needs arise or attractive terms for investment become available before the next annual general meeting of the Company, which is expected to be held until around September 2023 and more than five months from the date of the Company's announcement dated 14 April 2023 and about three months from the Latest Practicable Date. As advised by the Management, without the Refreshed General Mandate, the Company will no longer have the flexibility to promptly meet fund raising opportunities for about five months should any fund-raising opportunities with attractive terms arises prior to the next annual general meeting of the Company.

Based on the our communication with the Management, given the current economic and financial market conditions, including the global interest rate hike cycle to combat the problem of inflation, the war between Ukraine and Russia and the geopolitical tensions between China and Western nations, all of which have created significant market volatility, uncertainty and economic disruption, we concur with the view of the Company that it is important for the Company to have the option to raise funding at short notice if the opportunity presents itself.

Cash position

As disclosed in the section headed "1.2 FINANCIAL PERFORMANCE ON THE GROUP" above, the Group's cash and cash equivalents decreased from approximately HK$263,850,000 as at 31 March 2021 to approximately HK$190,418,000 as at 31 March 2022, and further decreased to approximately HK$ 141,354,000 as at 30 September 2022. Such decrease was mainly attributed to the consecutive net losses for FY2022 and Interim 2022. In addition, as disclosed in the 2022 Annual Report and the 2022 Interim Report, the Group incurred net cash used in financing activities for FY2022 and Interim 2022. Based on our discussion with the Management, the Company is of the view that as a result of the interest rate hike in recent years, the interest rates on loans have increased considerably within a short period of time, resulting in an increase in the cost of loans during these periods of time. The Company considers that excessive loans with high interest rates in a rising interest rate environment will have a detrimental effect on its financial position and exacerbate the pressure on both liquidity and operations of the Group. Thus, the Company has made a deliberate attempt to reduce the Company's borrowing portfolio.

In addition, based on the financial information provided by the Management, we are aware that as at the Latest Practicable Date, it was anticipated that the Company has (i) accounts payable in the sum of approximately HK$4.00 million due and payable by the end of 2023; and (ii) corporate bond in the sum of approximately HK$3.43 million becoming due and payable in June 2023, the Company expects that the anticipated revenue of the Group would be substantially used to repay the above sums and cover operational expenses of the Group.

In addition, based on the information provided by the Management, approximately HK$10.99 million, representing approximately 19.34% of the total net proceeds raised in the Placing, remained unutilised as at the Latest Practicable Date. Taking into account the Company's rapid development on the current margin business, asset management business and money lending business of the Group, we are aware that it is expected that such amount will be fully utilised within the upcoming three months.

In view of the above, the Board is of the view that, without any fundraising activities under the Refreshed General Mandate (if granted by the Independent Shareholders), the existing level of the Company's capital resources is insufficient for the Company's need of capital regarding its continuing development and expansion of businesses, which are of capital-intensive nature.

Since it is expected that the global economy will remain sluggish considering the adverse economic impact caused by geopolitical tensions, and the cash inflow of the Group might be adversely affected. Further, as elaborated in detail below, the seeking of the proposed Refreshed General Mandate to be granted targets to permit the Company such flexibility for the catering of the Group's potential business expansion and the prompter reaction when fundraising opportunities arise. Therefore, we concur with the view of the Company that it would be desirable for the Group to continue to have the flexibility to raise additional funds in a timely manner to accommodate the operating cash flow needs as well as for future business investment and development.

Possible fund-raising needs/investments

As advised by the Management, we note that with the Group's continuous dedication to maximise value for the Shareholders, the Group is continuously seeking fresh opportunities with exploration made in the Group's current business segments to broaden the revenue and profit base of the Group.

One of the Group's principal activities is money lending business. Based on our discussion with the Management, the Company is committed to its strategy of maintaining its competitiveness in the money lending market. The Company is of the view that the current cyclical increase in interest rates will create increased pressure on the cost of capital. Meanwhile, the interest rates at which the Company can lend are expected to increase. Effective access to low interest cost funding will therefore be crucial to sustaining the Company's competitiveness. The Company considers that funding through equity financing would be more affordable than debt financing. Under such circumstances, the respective interest rate spreads will be effectively increased and will therefore facilitate the Company's future income in the money lending business.

Another Group's principal activity is asset management business. Based on our discussion with the Management, at the strategic level, the Company will grasp the unprecedented opportunity of Hong Kong being integrated into the overall national development of China, leverage Hong Kong's role as the "bridgehead" in the Guangdong-Hong Kong-Macao Greater Bay Area to be the communication hub between China and the world, adhere to the national policies of "dual circulation" and "Belt and Road", as well as facilitate the two-way flow of cross-boundary RMB funds. As such, the Company considers that it is important that the Group shall maintain sufficient financial flexibility to grasp appropriate fund-raising opportunities in a timely manner to capture any appropriate business opportunities and /or finance the expansion plan of the Group.

Based on the unaudited management account provided by the Company, we note that as at 31 March 2023, the cash and cash equivalent of the Group amounted to approximately HK$111.75 million.

We have obtained and reviewed the business proposal from the Company, among which has stated that the cash and cash equivalents of the Group will be utilised as follows:

(i) approximately HK$56.00 million were reserved to maintain and comply with the regulatory requirement in respect of liquid capital level for the operations of the licensed corporations carrying out regulated activities under the SFO at all time;

(ii) approximately HK$17.15 million were reserved to repay corporate bonds and the interest accrued therefrom which will become due and payable by June and October 2023;

(iii) approximately HK$10.99 million, being unutilised proceeds raised in the Placing, will be fully utilised for the margin business, asset management business and money lending business currently operated by the Group within the upcoming three months; and

(iv) the remainder, being approximately HK$27.61 million, were reserved to serve as the general working capital of the Group. As at the Latest Practicable Date, approximately HK$8.39 million was consumed for such intended purpose, and the remaining unutilised portion was still reserved to serve as the Group's general working capital, which has been expected to increase owing to the Group's development with respect to its intended increase in staff members and the upgrading of such systems in connection with the securities business and asset management business segments.

We have made further enquiries on the proposed business expansion plan of the Group for the coming three months and have obtained and reviewed the business proposal for the Group from the Management. We note that, as at the Latest Practicable Date, the Company had the following business opportunities with details as follows:

(i) Investment sum to be made for the registered capital for a partnership on private equity fund under the Qualified Domestic Limited Partnership program in the sum of approximately RMB10 million;

(ii) Investment sum to be made on a financial technology project (with a focus on algorithmic trading system and robo-advisory SaaS running on artificial intelligence) for a subsidiary of the Company in the sum of approximately RMB5 million; and

(iii) Investment sum to be made on a cryptocurrency exchange registered and operating in Hong Kong, in view of its Virtual Asset Service Provider (VASP) licence to be issued by SFC, in the sum of approximately HK$30 million.

In addition to the above, the Group is considering the potential expansion in terms of staff and upgrading and improvement of the systems regarding the securities business and asset management business segments, and such strengthening of business segments necessitate fundraising in addition to the internal cash resources of the Group (which has its designated utilisation purposes as at the Latest Practicable Date), and therefore, such fundraising will only be made available with the granting of Refreshed General Mandate. As at the Latest Practicable Date, save and except for the above, the Company had no concrete plan, nor did it have any agreement, arrangement, understanding, or negotiation (either concluded or in process) on expansion on the Group's principal businesses.

However, having taken into account (a) the speedy recovery of the global economy and the capital markets of both Hong Kong and the PRC; and (b) the capital-intensive nature of the Company's principal businesses as contemplated above, the Company cannot rule out any possibility for further business expansion which may give rise to fundraising opportunities in the upcoming twelve months, and with the impending business expansion elaborated above, such fundraising opportunities may arise within the coming three months in particular.

Therefore, we concur with the view of the Company that it is important for the Company to be granted the Refreshed General Mandate, with authorisation for the Directors to issue new Shares under the refreshed limit and be provided with the flexibility and ability to capture any appropriate capital raising opportunities at short notice and in a timely manner, so as to achieve the Group's dedication as mentioned above.

Taking into account (i) the Existing General Mandate has been almost utilised in full as at the Latest Practicable Date; (ii) the Group may not have sufficient fund to fully finance the expansion plan of its money lending business as well as asset management business if such opportunity arises and materialises prior to the next annual general meeting based on the Group's working capital position; (iii) the estimated investment potential in a partnership under the Qualified Domestic Limited Partnership program together with a technology project for a subsidiary of the Company; and (iv) as discussed in the section headed "3. OTHER FINANCING ALTERNATIVES" in this letter, the cost of equity financing by using the general mandate such as placement of new Shares would be lower than that of debt financing such as bank borrowings or other types of equity financing, which will be a better option for the Group in the event it has funding needs in the future, the Company considers and we also concur that the proposed grant of Refreshed General Mandate would enable the Company to respond quickly to market conditions and provide the Company with greater financial flexibility and a more efficient process (i.e. avoid the uncertainties that may result from not obtaining a specific mandate in a timely manner) of fund raising if attractive terms of investment become available or any other funding needs arise between now and the next annual general meeting.

3 OTHER FINANCING ALTERNATIVES

As set out in the Letter from the Board and based on our discussion with the Management, the Board will consider various financing alternatives apart from equity financing such as debt financing, rights issue, open offer or issuance of new Shares under specific mandate to meet the funding needs of the Group (including repayment obligations, investment opportunities and/or expansion plan), if appropriate, taking into consideration the financial position, capital structure and cost of funding of the Group and the prevailing market condition.

Based on the discussion, the Management consider equity financing to be an important avenue of resources to the Group since it can reduce and limit debt financings which will create additional interest paying obligations on the Group. It is considered that debt financings may be subject to lengthy due diligence and negotiations as compared to the equity financing available to the Company and impose interest burden on the Group. Besides, bank financing generally involves pledge of assets, which potentially impairs the Group's flexibility in managing its assets portfolio and as discussed with the Management, the Management consider that the Group currently does not have material assets suitable and available for assets pledge arrangement in debt financings. In contrast, equity financing by issuance of new shares and convertible bonds under general mandate, on the other hand, is simpler with less requirements and usually with reference to the prevailing market price of the shares which may expedite the fund-raising process.

We have further made enquiries to the Company regarding the debt financing alternatives of the Company. As advised by the Company, based on the communication between the Company and the banks, we understand that under the current global interest rate hike cycle, there is significant reduction in bank's appetite for lending, which reflected in the fact that banks are demanding more collateral and higher interest rates than before. Meanwhile, as advised by the Company, based on the communication between the Company and the potential bond investors, the bond investors are widely seeking return at higher interest rates that that of the existing corporate bonds issued by the Company.

In relation to the matter of the said rising interest rates in Hong Kong, we have searched the information announced by the Hong Kong Monetary Authority for the trend in interest rates in Hong Kong. As announced by the Hong Kong Monetary Authority, we note that the Hong Kong base rate has continued to be raised from the January 2022 level of 0.5%. The Hong Kong Monetary Authority raised the base rate by further 25 basis point to 5.5% on 4 May 2023. The latest move brought borrowing costs in Hong Kong to the highest level since January 2008 and came after seven rate increases in 2022 and a quarter-point lift in February 2023 and March 2023.

As such, we concur with the view of the Directors that debt financings in such circumstances would adversely affect the profitability of the Company, which would not be in the best interest of the Company and Shareholders as a whole.

In respect of equity financing such as rights issue and open offer, the Management consider that despite rights issue and open offer would allow the Shareholders to maintain their respective pro-rata shareholdings in the Company, the ultimate fund-raising size could not be assured if the fund-raising exercises are conducted on non-underwritten basis. In addition, lengthy discussion with potential commercial underwriters, if such fund-raising exercises are conducted on fully underwritten basis, may be required and the Company may not be able to grasp the potential business opportunities in a timely manner. On the other hand, we understand that the ultimate fund-raising size could not be assured by the Company if conducted on a non-underwritten basis.

We have further enquired with the Management on the Company's attempts to procure equity financing. As advised by the Management, the Company has made preliminary inquiries with a potential commercial underwriter recently. We understand that it may also incur certain transaction costs such as underwriting commission and involve extra administrative work and cost, as compared to equity financing by issuance of new Shares and convertible bonds under the general mandate of the Group. In addition, based on the information provided by the Management, an additional cost of at least HK$500,000 would be incurred, including but not limited to the preparation of legal documentation and fulfilment of additional administrative procedures.

Furthermore, as compared to issuing Shares under general mandate, issuing Shares under specific mandate when the relevant term regarding the fundraising plan is finalised will involve extra time and cost, arising from the preparation, printing and despatch of the relevant circular and notice of extraordinary general meeting as well as the holding and convening of extraordinary general meeting for each occasion. Based on the discussion with the Management, we understand that it generally takes approximately 3 to 4 weeks from the time a potential customer approaches the Company to express interest in applying for a loan to the time the Company formally grants the loan to the customer. However, based on the publication of other listed issuers on the Stock Exchange, we note that approximately 2 months is anticipated to be needed to complete the relevant procedures to complete the equity financing through the issuance of Shares under specific mandate. Meanwhile, as advised by the Management, given the fact that the general size of loans to be granted by the Company to the potential customers amounted to approximately 3% to 5% of the existing market capitalisation of the Company, it would be unrealistic for the Company to apply for issuance of Shares under specific mandate every time when business opportunities arise after taking into account of the relevant extra time and cost needed.

Meanwhile, based on our calculations, the theoretical value dilution impact of issuing shares under general mandate is limited as compared with rights issue, open offer and/or issuing Shares under specific mandate. Although pre-emptive issue offers the Shareholders with the same opportunity to maintain their proportionate interests in the Company, the average theoretical value dilution effect of a rights issue, open offer and/or issuing Shares under specific mandate is generally higher than the maximum theoretical value dilution effect of issuing shares under general mandate of approximately 3.33%. Such theoretical dilution effect is calculated in accordance with Rule 7.27B of the Listing Rules and assuming a maximum number of 20.0% Shares are issued under the Refreshed General Mandate with the issue price of a maximum discount of 20.0% to the benchmark price.

Thus, we concur with the view of the Directors that if the Company is able to identify any suitable fund-raising opportunities with attractive terms prior to the next annual general meeting of the Company which is expected to be held in around September 2023, the Board will be able to respond to the market promptly with the Refreshed General Mandate. As compared to obtaining specific mandate, the process of issuing Shares under general mandate for fund raising is simpler and less lengthy which would allow the Company to avoid the uncertainties in such circumstances where approval for specific mandate may not be obtained in a timely manner.

On the above basis that (i) debt financing may be subject to lengthy negotiations, incur additional interest burden to the Group which may affect its profitability, and may involve pledge of assets that can potentially impair the Group's flexibility in managing its assets portfolio; (ii) the interest rate in Hong Kong is rising since 2022; (iii) rights issue and open offer may take a longer time to complete and incur additional transaction costs and administrative work and costs while fund-raising exercises pursuant to general mandate provide the Company a simpler and less lead time process than other types of fund-raising exercises and avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner; and (iv) the theoretical value dilution impact of issuing shares under general mandate is limited as compared with rights issue, open offer and/or issuing Shares under specific mandate, the Directors consider and we concur with the Directors that the proposed grant of the Refreshed General Mandate can provide greater flexibility to the Group in deciding the financing methods to cater for its future funding requirements.

4 EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Set out below is the summary of equity fund-raising activities of the Company during in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
28 December 2022, 12 January 2023 and 17 January 2023	Placing of new shares	HK$56,820,000.00	45% 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; 40% for financing private equity and/or securities investment opportunities; and 15% for utilisation on the general working capital of the Group	Save and except for approximately HK$10.99 million remains unutilised for the intended use on the replenishment of the working capital of the Company for the Company's development on margin business, asset management business and money lending business, the rest of the net proceeds raised in the Placing had been used as intended.
1 September 2022, 23 September 2022; and 2 June 2023	Subscription of new shares	HK$56,500,000.00	50% for financing the private equity and/or securities investment opportunities both in Hong Kong and the PRC; 15% as general working capital of the Group; and 35% for investment in potential new projects to be identified by the Group in the future	Used as intended

As advised by the Company, as at the Latest Practicable Date, net proceeds of approximately HK$10.99 million raised from the aforesaid placing of new Shares were not utilised and would be expected to be utilised for the purposes as intended.

Saved as disclosed above, the Directors confirmed that the Company has not conducted any equity fund-raising activities in the past 12 months immediately preceding the Latest Practicable Date.

5 POTENTIAL DILUTION EFFECT TO THE EXISTING PUBLIC SHAREHOLDERS

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Refreshed General Mandate (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the full utilisation of the Refreshed General Mandate):

Shareholders	Immediately before the full utilisation of the Refreshed General Mandate		Immediately upon the full utilisation of the Refreshed General Mandate	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Mr. Liu Zhiwei and his associates	320,051,000	24.28	320,051,000	20.24
Jadehero Limited ("**Jadehero**") *(Note)*	80,000,000	6.07	80,000,000	5.06
Santo Limited ("**Santo**") *(Note)*	141,643,000	10.75	141,643,000	8.95
Public Shareholders (new Shareholders upon the full utilisation of the Refreshed General Mandate excluded)	776,273,885	58.90	776,273,885	49.08
New Shareholders upon the full utilisation of the Refreshed General Mandate	0	0	263,593,577	16.67
Total:	1,317,967,885	100.00	1,581,561,462	100.00

Note: Jadehero is owned as to 80% by Southlead Limited ("**Southlead**"). Southlead and Santo are wholly-owned by Whole Advance Limited, which is wholly-owned by Liberal Expansion Limited, and in turn, Liberal Expansion Limited is wholly-owned by Mr. Zhao Xu Guang.

At the Latest Practicable Date, the shareholding of the existing public Shareholders was approximately 58.90%. Assuming that (i) the grant of the Refreshed General Mandate is approved at the EGM; and (ii) no Shares will be issued and/or repurchased and cancelled from the Latest Practicable Date up to the date of the EGM (both dates inclusive), upon full utilisation of the Refreshed General Mandate, 263,593,577 Shares can be issued, which represents 20% and approximately 16.67% of the aggregate number of the issued Shares as at the Latest Practicable Date and the aggregate number of the enlarged issued Shares respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 58.90% as at the Latest Practicable Date to approximately 49.08% upon full utilisation of the Refreshed General Mandate, representing a potential maximum dilution in public shareholding by approximately 16.67%.

Taking into account all the equity fundraising activities disclosed above, with reference to (a) the shareholding of the public Shareholders as at the date immediately before the completion of subscription of new Shares taken place in September 2022 (i.e. 419,097,885 Shares); and (b) the total issued share capital of the Company as at the date immediately before the completion of subscription of new Shares taken place in September 2022 (i.e. 915,307,885 Shares) and immediately upon the completion of placing of new Shares on 17 January 2023 (i.e. 1,317,967,885 Shares), the public Shareholders' shareholding decrease from approximately 45.79% to approximately 31.80%, giving rise to the aggregate dilution impact of approximately 13.99% within the 12-month period prior to the Latest Practicable Date.

Having considered that (i) the reasons for the Refreshment of General Mandate as discussed in the section headed "2. REASONS FOR THE PROPOSED GRANT OF THE REFRESHED GENERAL MANDATE" in this letter; (ii) the Company may have a need to raise fund as mentioned above; (iii) as compared to pre-emptive fund raisings such as rights issue or open offer, the potential dilution impact on the existing public Shareholders may be even greater if the Shareholders choose not to subscribe for the Shares under the right issue or open offer; (iv) the new Shares generally cannot be allotted and issued at more than 20% discount to market under the Refreshed General Mandate while the subscription price under a rights issue or open offer would normally set at a greater discount to the market price; (v) the Refreshed General Mandate will provide the Group with more financial flexibility and options to raise further capital for the Group's operations as the Company is able to respond to the fund-raising opportunities at short notice and in a timely manner together with such business benefits to be derived under the Group's potential business expansion based on the grant of the Refreshed General Mandate whereas there is a lack of certainty in the successful implementation of other alternative financing methods; and (vi) the shareholding interests of all the existing Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, the Directors are of the view that the aforesaid dilution impact on the shareholding of the existing public Shareholders to be acceptable.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the proposed grant of Refreshed General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,
For and on behalf of
Draco Capital Limited

Ken Zhao	**Leon Au Yeung**
Director	*Director*

Mr. Ken Zhao and Mr. Leon Au Yeung are licensed persons under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Draco Capital Limited. Mr. Ken Zhao and Mr. Leon Au Yeung have over 10 and 9 years of experience in corporate finance industry, respectively.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") contained in the Listing Rules, were as follows:

Long positions in Shares

Name of Director	Type of interests	Number of Shares	Approximate percentage of the issued share capital of the Company *(note)*
LIU Zhiwei	Beneficial owner	320,051,000	24.28%

Note: The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,317,967,885 Shares as at the Latest Practicable Date.

Name of Director	Type of interests	Description of equity derivatives	Number of underlying Shares	Percentage of the issued share capital of the Company
N/A				

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors and the chief executive, as at the Latest Practicable Date, the following person (not being Director or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in Shares

Name of Shareholders	Capacity	Number of Shares/ underlying shares held	Approximate percentage of interests in issue
Jadehero Limited ("**Jadehero**") *(Note)*	Beneficial owner	80,000,000	6.07%
Southlead Limited ("**Southlead**") *(Note)*	Interest of controlled corporation	80,000,000	6.07%
Santo Limited ("**Santo**") *(Note)*	Beneficial owner	141,643,000	10.75%
WHOLE ADVANCE LIMITED ("**Whole Advance**") *(Note)*	Interest of controlled corporation	221,643,000	16.81%
Liberal Expansion Limited ("**Liberal Expansion**") *(Note)*	Interest of controlled corporation	221,643,000	16.81%
Mr. ZHAO Xu Guang ("**Mr. Zhao**") *(Note)*	Interest of controlled corporation	221,643,000	16.81%

Note:

As at 31 March 2022, Jadehero beneficially held 80,000,000 Shares and Santo beneficially held 141,643,000 Shares. Jadehero is owned as to 80% by Southlead. Southlead was deemed to be interested in the Shares held by Jadehero. Southlead and Santo are wholly-owned by Whole Advance. Whole Advance is wholly-owned by Liberal Expansion which in turn is wholly-owned by Mr. Zhao. For the purpose of the SFO, Mr. Zhao, Liberal Expansion and Whole Advance were deemed to be interested in the Shares held by Jadehero and Santo.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of them or their respective close associates had any interest in a business which competes or may compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased, or which were proposed to be acquired, disposed of by or leased to any member of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. EXPERT AND CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name in the form and context in which they appear.

The following is the qualification of the expert who has provided its advice, which is contained in this circular:

Name	Qualification
Draco Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate

As at the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which had been, since the date to which the latest published audited consolidated financial statements of the Group were made up (i.e. 31 March 2022), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

(a) The registered office of the Company is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands, and the head office and principal place of business in Hong Kong of which is located at Units No. 4102-06, 41/F., COSCO Tower 183 Queen's Road Central, Hong Kong.

(b) The principal share registrar and transfer office of the Company is Suntera (Cayman) Limited at Suite 3204, Unit 2A, Block 3 Building D, P.O. Box 1586 Gardenia Court, Camana Bay, Grand Cayman, KY1-1100 Cayman Islands and the Hong Kong branch share registrar and transfer office of which is Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

(c) Ms. LAM Wing Chi is the company secretary of the Company ("**Ms. Lam**"). Ms. Lam is a chartered secretary, a chartered governance professional and an associate member of both The Hong Kong Chartered Governance Institute (HKCGI) (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (CGI) (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

(d) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of GoFintech Innovation Limited (the "**Company**") will be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Tuesday, 11 July 2023 at 11 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as the ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT:**

(a) subject to paragraph (c) below, pursuant to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the exercise by the directors of the Company during the Relevant Period (as defined hereinbelow) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (the "**Shares**") and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which would or might require shares in the capital of the company to be issued, allotted or disposed of, be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the shares of the company to be issued, allotted or disposed of, either during or after the end of the Relevant Period (as defined hereinbelow);

(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined hereinbelow); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the number of shares of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution,

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company (unless renewed by an ordinary resolution of the shareholders of the Company in a general meeting, whether unconditionally or subject to conditions); or

(ii) the date by which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable laws and regulations of the Cayman Islands to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

"**Rights Issue**" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company's register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong)."

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

Hong Kong, 20 June 2023

Registered office:
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong:
Units No. 4102-06
41/F., COSCO Tower
183 Queen's Road Central
Hong Kong

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.

3. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.

4. For the purpose of determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from 6 July 2023 to 11 July 2023, both days inclusive. In order to qualify for attending and voting at the EGM, all transfer documents together with the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. (Hong Kong time) on 5 July 2023.

5. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

7. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution at the EGM will be conducted by way of a poll.

8. If a Typhoon Signal No. 8 or above is hoisted, or a "black" rainstorm warning signal or extreme condition caused by super typhoon is in force in Hong Kong at or at any time after 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the Company's website (www.290.com.hk) and HKExnews website (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, 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.