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Rego Interactive Co., Ltd
(潤 歌 互 動 有 限 公 司)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2422)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON
THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

Placing Agent to the Rights Issue

uSMART Securities
盈 立 證 券

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$100 million before expenses by issuing up to 500,000,000 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.2 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be up to approximately HK\$99.0 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply (i) 65% of the net proceeds for acquisition of all issued share capital of a PRC company with principal business on provision of e-commerce solutions to its brand partners mainly derived from product sales; (ii) 25% of the net proceeds for the development and expansion of virtual and physical goods delivery business; and (iii) 10% of the net proceeds for general working capital.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed. The Company confirms that there are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

Any unsold entitlements of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

NO IRREVOCABLE COMMITMENTS

As at the date of this announcement, the Company has not received any irrevocable commitments to accept or reject the Rights Shares.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfillment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Thursday, 9 November 2023. The Rights Shares will be dealt with in their nil-paid form from Wednesday, 22 November 2023 to Wednesday, 29 November 2023 (both dates inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be at 4:00 p.m. on Wednesday, 13 December 2023) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company will be closed from Monday, 13 November 2023 to Friday, 17 November 2023 (both dates inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company on the Record Date, which is currently expected to be Friday, 17 November 2023. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration by 4:30 p.m. on Friday, 10 November 2023.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights.

On 3 November 2023, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 12 December 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

LISTING RULES IMPLICATIONS

Since the Rights Issue would not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not conditional upon approval by the Shareholders pursuant to Rule 7.19A of the Listing Rules.

The Rights Issue is in compliance with the theoretical dilution limit under Rule 7.27B of the Listing Rules.

The Prospectus Documents containing further details of the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Monday, 20 November 2023.

PROPOSED RIGHTS ISSUE

Details of the Rights Issue are summarised below:

Basis of Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date by the Qualifying Shareholders
Number of Shares in issue as at the date of this announcement	:	1,000,000,000 Shares
Number of Rights Shares	:	Up to 500,000,000 Rights Shares (assuming no change in the number of Shares in issue from the date of this announcement up to and including the Record Date)
Subscription Price	:	HK\$0.2 per Rights Share
Number of Shares in issue immediately following the completion of the Rights Issue	:	Up to 1,500,000,000 Shares (assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue)
Status	:	The Rights Shares, when allotted, issued and fully paid, will rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue
Amount to be raised by the Rights Issue before expenses	:	Up to approximately HK\$100 million before expenses (assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue)

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, or convert or exchange into, Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no new Shares (other than the Rights Shares) are allotted and issued and no Shares are bought back on the Record Date, the nil-paid Rights Shares proposed to be provisionally allotted represent:

- (i) approximately 50% of the Company's total number of issued Shares as at the date of this announcement; and

- (ii) approximately 33.3% of the Company's total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming no change in the number of Shares in issue other than the allotment and issue of the Rights Shares).

The Placing Agreement

Principal terms of the Placing Agreement are summarized as below.

Date	:	3 November 2023
Issuer	:	The Company
Placing Agent	:	uSMART Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period.

The Placing Agent is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period	:	The period from Thursday, 7 December 2023 up to 4:00 p.m. on Tuesday, 12 December 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.
Placing Price	:	The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process.
Placing commission	:	Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 0.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent.

- Placees : The Placing Agent shall procure that not less than six placees will take up the Unsubscribed Rights Shares. The placees shall be professional, institutional and other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be Independent Third Parties. None of the placees shall become a Substantial Shareholder of the Company upon completion of the Rights Issue.
- Ranking of the Unsubscribed Rights Shares : The placed Unsubscribed Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
 - (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
 - (iii) Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

The Company shall use its best endeavour to procure the fulfilment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to the attention of it and indicating that any of such conditions being unable or fail to fulfil. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

- Termination :
- If any of the following events occur at any time prior to 6:00 p.m. on the first Business Day after the last day of the Placing Period (the “**Placing Long Stop Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:
- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing Agreement which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

The Unsubscribed Arrangements are in compliance with the requirements under Rule 7.21(1) (b) under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Directors and the Placing Agent confirm that the Placing Agent is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after an arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given that the Company has put in place the Unsubscribed Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and to the extent reasonably practicable, the Company will send copies of the Prospectus (without the PAL) to the Excluded Shareholders (if any) for their information only. Please take special note that the Company will send the PAL to the Qualifying Shareholders only.

The register of members of the Company will be closed from Monday, 13 November 2023 to Friday, 17 November 2023 (both dates inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company on the Record Date; and (ii) not be an Excluded Shareholder.

In order to be registered as members of the Company on the Record Date, Qualifying Shareholders must lodge any transfer of Shares (with the relevant share certificates) for registration with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on Friday, 10 November 2023.

The last day for dealing in the Shares on a cum-rights basis is Wednesday, 8 November 2023. The Shares will be dealt with on an ex-rights basis from Thursday, 9 November 2023.

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Monday, 4 December 2023.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may be diluted.

Rights of Overseas Shareholders

The Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. As at the date of this announcement, the Company does not have any Overseas Shareholders.

The Company will take steps to ascertain whether there are any Overseas Shareholders as at the Record Date. The Company will comply with Rule 13.36(2) of the Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any), and if, having made such enquiry, the Directors consider that it is necessary or expedient not to extend the Rights Issue to these Overseas Shareholders on account either of the legal restrictions under the laws of the place of his/her/its/their registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders and the Company will disclose the explanation for such exclusion in the Prospectus. To the extent reasonably practicable, the Company will only send the Prospectus to the Excluded Shareholders (if any) for their information.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 13.36(2)(a) of the Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of or applications for Right Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price is HK\$0.2 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 49.37% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 48.45% to the average closing price of approximately HK\$0.388 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 47.23% to the average closing price of approximately HK\$0.379 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 16.46% to the theoretical ex-rights price of HK\$0.330 based on the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 38.84% to the latest published unaudited consolidated net asset value per Share as at 30 June 2023 of approximately HK\$0.327 (based on the net asset value attributable to the owners of the Company as at 30 June 2023 of approximately RMB305.3 million as shown in the Company's interim report for the six months ended 30 June 2023); and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 16.46% of the theoretical diluted price of HK\$0.330 based on the benchmarked price of HK\$0.395 per Share.

The Subscription Price was determined by the Directors with reference to, among other things, the recent market prices of the Shares, the prevailing volatile market conditions and the trading volume of the Shares. During the past six months, the closing price of the Shares has been gradually dropped to HK\$0.395 on the Last Trading Day. The trading of the Shares is inactive in the open market. During the past six months, the daily trading volume of the Shares ranged from 0 to 22,928,000 Shares, representing 0% to 2.29% of the total number of issued shares of the Company. The Board considers that a reasonable discount of the Subscription Price would attract the Qualifying Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group. The Subscription Price represents a discount of approximately 38.84% to the latest published audited consolidated net asset value per Share as at 30 June 2023.

The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.198 (assuming no change in the number of Shares in issue on or before the Record Date).

Basis of Provisional Allotment of Rights Shares

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL (in accordance with the instructions printed thereon) and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by a time which is currently expected to be 4:00 p.m. on Monday, 4 December 2023. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional Entitlements" below. Upon completion of the Rights Issue, the board lots of the Company will remain as 4,000 Shares.

Fractional Entitlements

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the then existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Rights Shares in their fully-paid form.

Scale-down of subscriptions to avoid triggering the GO Obligation and non-compliance with the Public Float Requirement

To avoid the unwitting triggering of any GO Obligation and/or the Company's non-compliance with the Public Float Requirement, all applications for the Rights Shares by the Qualifying Shareholders under the PAL(s), or by transferees of nil-paid Rights Shares, are subject to the scaling-down mechanism as determined by the Company and will be made on the basis that the applications are to be scaled-down by the Company (further details of which are set out below) to such level which does not result in any GO Obligation being triggered by those affected applicant(s) and/or group of affected applicant(s) (together with parties respectively acting in concert with him/her/it/them); and/or the Company's non-compliance with the Public Float Requirement. Any subscription monies for the Scaled-down PAL Shares will be refunded to the affected applicants.

Such scaling-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) where the scale-down is necessitated by the exceeding of shareholding by a group of Qualifying Shareholders acting in concert (the “**Affected Group(s) of Shareholders**”) rather than an individual Qualifying Shareholder, the allocations of PAL(s) to members of the Affected Group of Shareholders should be made by reference to the number of Shares held by the affected applicants on the Record Date; and (b) the allocations of PAL(s) to different Affected Groups of Shareholders and/or affected individual Qualifying Shareholders should be made by reference to the number of Shares held by the affected applicant(s) and/or affected group(s) of applicant(s) on the Record Date.

Share Certificates and Refund Cheques for Rights Issue

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Monday, 18 December 2023 to those persons who have validly accepted and paid for the Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares (if any) will be despatched on or before Monday, 18 December 2023 by ordinary post to the registered addresses as aforesaid at the respective applicants’ own risks. One share certificate will be issued for all the Rights Shares a Shareholder is entitled to.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in board lots of 4,000 Shares.

No part of the Shares for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in on any other stock exchange.

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

Stamp Duty and Other Applicable Fees and Charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch share registrar in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Rights Issue on a Non-underwritten Basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date;
- (c) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and

- (d) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), the listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Company may accept.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Wednesday, 13 December 2023, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed accordingly.

No Irrevocable Commitments

As at the date of this announcement, the Company has not received any irrevocable commitments to accept or reject the Rights Shares.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Rights Issue (assuming no change in the number of Shares in issue other than the allotment and issue of the Rights Shares):

	As at the date of this announcement		Assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full (i.e. no Unsubscribed Rights Shares to be placed by the Placing Agent)		Assuming none of the Qualifying Shareholders has taken up any of their respective entitlements to the Rights Shares and none of the Unsubscribed Rights Shares has been placed by the Placing Agent ^{Note 2}		Immediately after completion of the Rights Issue Assuming none of the Qualifying Shareholders has taken up any of their respective entitlements to the Rights Shares and none of the Unsubscribed Rights Shares has been placed by the Placing Agent except for the Controlling Shareholders ^{Note 4}		Assuming none of the Qualifying Shareholders has taken up any of their respective entitlements to the Rights Shares and all the Rights Shares has been placed by the Placing Agent	
	Approximate % of issued		Approximate % of issued		Approximate % of issued		Approximate % of issued		Approximate % of issued	
	No. of Shares	Shares	No. of Shares	Shares	No. of Shares	Shares	No. of Shares	Shares	No. of Shares	Shares
Directors										
Mr. Tian Huan	347,500,000	34.75	521,250,000	34.75	347,500,000	34.75	521,250,000	37.91	347,500,000	23.17
Mr. Chen Ping	290,000,000	29.00	435,000,000	29.00	290,000,000	29.00	435,000,000	31.64 ^{Note 1}	290,000,000	19.33
Mr. Zhang Yongli	112,500,000	11.25	168,750,000	11.25	112,500,000	11.25	168,750,000	12.27	112,500,000	7.50
Controlling Shareholders ^{Note 3}	750,000,000	75.00	1,125,000,000	75.00	750,000,000	75.00	1,125,000,000	81.82	750,000,000	50.00
Public Shareholders										
Independent placees	-	-	-	-	-	-	-	-	500,000,000	33.33
Other public shareholders	250,000,000	25.00	375,000,000	25.00	250,000,000	25.00	250,000,000	18.18 ^{Note 2}	750,000,000	50.00
Total	1,000,000,000	100.00	1,500,000,000	100.00	1,000,000,000	100.00	1,375,000,000	100.00	1,500,000,000	100.00

Notes:

1. To avoid triggering of any GO Obligation and assuming none of the Qualifying Shareholders has taken up any of their respective entitlements to the Rights Shares except for the Controlling Shareholders, Mr. Chen Ping will subscribe and hold up to 412,362,500 Shares representing 29.99% of the total issued Shares upon completion of the Rights Issue.
2. This scenario is for illustrative purpose only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. The Company will take all appropriate steps to ensure that sufficient public float be maintained in compliance with Rule 8.08 of the Listing Rules.
3. As at the date of this announcement, Tanshin Investments Limited (a company wholly owned by Mr. Tian Huan), Vicen Investments Limited (a company wholly owned by Mr. Chen Ping) and Sprus Investments Limited (a company wholly owned by Mr. Zhang Yongli) beneficially owned 34.75%, 29% and 11.25% of the issued share capital of the Company, respectively. On 22 October 2021, Mr. Tian Huan, Mr. Chen Ping and Mr. Zhang Yongli entered into an acting-in-concert agreement. By virtue of the acting-in-concert agreement, Tanshin Investments Limited, Vicen Investments Limited and Sprus Investments Limited are collectively entitled to exercise voting rights of 75% of the issued share capital of the Company. As such, Mr. Tian Huan, Mr. Chen Ping, Mr. Zhang Yongli, Tanshin Investments Limited, Vicen Investments Limited and Sprus Investments Limited are regarded as a group of Controlling Shareholders of the Company as at the date of this announcement.
4. This scenario is for illustrative purpose only. Since the Controlling Shareholders are holding 75% of the issued share capital of the Company as at the date of this announcement, in the event that any subscription of the Rights Shares by the Controlling Shareholders that may result in non-compliance of the Public Float Requirement, the Controlling Shareholders will not, and the Company will procure the Controlling Shareholders not to subscribe such Rights Shares. The Company will closely monitor the level of acceptance from time to time during the period from the despatch of the Prospectus Documents to the latest time for acceptance and payment for the Rights Issue, and will commence necessary steps to ensure compliance with Rule 8.08(1) of the Listing Rules.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) marketing and promotion services; (ii) IT solution services; and (iii) others. We offer (i) promotion and advertising services, including (a) traditional marketing and promotion services; (b) advertisement placement services; and (c) advertisement distribution services; and (ii) virtual goods sourcing and delivery services. Among the Group's business segments, virtual goods sourcing and delivery services has contributed substantial amount of the Group's revenue amounting to approximately RMB28.1 million (approximately 40.8% of the total revenue) for the six months ended 30 June 2023. Moreover, the Group expanded the services from virtual goods sourcing and delivery services to tangible goods sourcing and delivery, covering mainly daily necessities from late June 2023, and contributed revenue of approximately RMB9.3 million up to September 2023. In light of the success in the development of our virtual goods sourcing and delivery services, the Directors are of the view that the expansion of services to also cover tangible goods could create synergy and supplement to the Group's virtual goods sourcing and delivery services, by offering more choices of goods to our existing customers and expand our customer base. Despite the synergy to be brought to the Group, due to the strict infection control measures adopted by the PRC Government during the years from 2020 to late 2023, which has severely restricted the traffic of people and goods in the PRC in the past few years, the Group has taken

a prudent approach that any expansion of business involving the sale of tangible goods should only be planned and implemented upon the substantial relief of restrictive measures in the PRC. The Group has been monitoring the market condition and waiting for a good timing and opportunity to expand its goods sourcing and delivery services from virtual to tangible items. Until December 2022, the PRC Government announced the relief of all infection control measures, and allowed the free traffic of people and goods within the country. As a result, demand for tangible goods rebound and logistics services resumed active. Pursuant to the discussion by the Board of Directors in February 2023, the Group considered that it was the appropriate timing to tap into the sourcing and delivery of tangible goods business. As such, the Group has been actively looking for appropriate acquisition targets since February 2023 with an aim to complete the acquisition, settle the consideration by cash and implement the expansion plan within the end of 2023. The Company will make further announcement(s) on details and progress of the acquisition as and when appropriate.

As at the date of the announcement, the Group has been actively negotiating with a PRC based company whose principal business is the provision of e-commerce solutions to its brand partners mainly derived from product sales, for potential acquisition of its entire share capital, which has commenced business relationship with established e-commerce platforms operators in the PRC and has demonstrated rapid revenue growth potential in recent years. To leverage on the rapid development of e-commerce in the PRC, the Directors believe that the proposed acquisition would bring great benefit for the Group's expansion and development of the goods sourcing and delivery services business. By expanding the Group's existing virtual goods delivery services to cover tangible goods via e-commerce platforms, the Directors are of the view that our Group could benefit from such strategic acquisition to enlarge our Group's customer base and diversify our Group's business profile. In view of this, it would be beneficial to the Group's business development if the required funding could be ready as soon as practicable. The Directors consider it would be in the interests of the Company and its Shareholders as a whole.

The principal business of the target company is the provision of e-commerce solutions to its brand partners mainly derived from product sales. The target company regularly cooperates with established e-commerce platforms operators in the PRC. Through collecting group orders from online store operating on e-commerce platforms, the target company purchased tangible goods such as daily necessities directly from brand owners and deliver the products to the end customers. Based on the target company's business model, most of its revenue is derived from the differences between cost of goods it purchased and its sales price of the goods.

Based on the Group's latest published unaudited financial statements as at 30 June 2023, the size of the proposed acquisition is expected to amount to a major transaction of the Company. Since our cash and cash equivalent decreased by RMB38.6 million as at 31 December 2022 to RMB148.2 million as at 30 June 2023, and the Group has to maintain sufficient amount of funds for satisfying daily operation need for a reasonable period of time. External funding is required for completion of the acquisition.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be up to approximately HK\$99.0 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply 65% of the net proceeds for an acquisition of a PRC company with principal business on delivery of physical goods for e-commerce platform operators; 25% of the net proceeds for the development and expansion of virtual and physical goods delivery business; and 10% of the net proceeds for general working capital.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above intended uses. The Company shall proceed with the proposed acquisition with self-owned capital to fund the outstanding acquisition costs. In the event where the proposed acquisition could not be completed, the Company would look for and acquire alternative PRC company with similar structure and principal business on sourcing and delivery of physical goods for e-commerce platform operators with the 65% of the net proceeds to be raised from the Rights Issue. Given the rapid development of the e-commerce market, companies of similar size with similar principal business could be located with reasonable costs.

Qualifying Shareholders who elect not to participate in the Rights Issue will have the opportunity to sell the nil-paid Rights Shares in the market while Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue will have the opportunity to acquire additional nil-paid Rights Shares in the market.

The Directors consider that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without incurring debt financing cost and to enhance its financial position, while at the same time the Rights Issue will enable the Shareholders to participate in the future development of the Group. Therefore, the Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Group has considered fund-raising by issuing debt securities or debt financing but the Board considers that any debt financing or borrowings for the time being would carry interest expenses and may require the provision of security, and creditors will rank before the Shareholders. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

The Board considered that the Rights Issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In light of the above, the Board is of the view that the Rights Issue is the appropriate fund-raising method in this occasion and that the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the proposed Rights Issue is set out below:

Last date of dealings in the Shares on a cum-rights basis.	Wednesday, 8 November 2023
First day of dealings in the Shares on an ex-right basis relating to the Rights Issue	Thursday, 9 November 2023
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 10 November 2023
Closure of register of members of the Company for determination of entitlements to the Rights Issue (both dates inclusive)	Monday, 13 November 2023 to Friday, 17 November 2023
Record Date for the Rights Issue	Friday, 17 November 2023
Register of members of the Company re-opens	Monday, 20 November 2023
Expected dispatch date of the Prospectus Documents	Monday, 20 November 2023
First day of dealings in nil-paid Rights Shares (including the PAL and the Prospectus), and in case of the Non-Qualifying shareholdings, the Prospectus only	Wednesday, 22 November 2023
Latest time for splitting of PAL.	Friday, 24 November 2023
Last day of dealings in nil-paid Rights Shares	Wednesday, 29 November 2023
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Monday, 4 December 2023
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Monday, 4 December 2023
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Wednesday, 6 December 2023

Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent	Thursday, 7 December 2023
Latest time of placing of Unsubscribed Rights Shares by the Placing Agent	Tuesday, 12 December 2023
Placing Long Stop Date.	Wednesday, 13 December 2023
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company.	Friday, 15 December 2023
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Monday, 18 December 2023
Despatch of refund cheques, if any, if the Rights Issue is terminated.	Monday, 18 December 2023
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 19 December 2023
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any).	Friday, 22 December 2023

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place as shown if there is a “black” rainstorm warning or a tropical cyclone warning signal no. 8 or above in force in Hong Kong, or “extreme conditions” announced by the Government of Hong Kong:

- (i) at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the latest time for acceptance of and payment for the Rights Shares (i.e. Monday, 4 December 2023). Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) at any local time between 12:00 noon and 4:00 p.m. on the date of the latest time for acceptance of and payment for the Rights Shares (i.e. Monday, 4 December 2023). Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place at 4:00 p.m. on Monday, 4 December 2023, the dates mentioned in the section headed “Expected Timetable” above may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

PREVIOUS FUND-RAISING EXERCISE OF THE COMPANY

The Shares were listed on the Main Board of the Stock Exchange on 17 October 2022 by way of Global Offering, raising total net proceeds of HK\$100.7 million after deducting professional fees, underwriting commissions and other related listing expenses (the “**IPO proceeds**”). The Board confirmed that the Group will continue to carry out its business and business development plans as disclosed in its prospectus in respect of the Global Offering dated 30 September 2022. The Company does not intend to scale down the operation of any of its existing business. The Company confirms that it would not use any of the IPO proceeds to fund the proposed acquisition. Save for the initial public offering, there has been no equity fund-raising activities carried out by the Company in the 12 months immediately preceding the date of this announcement. As at the date of this announcement, IPO proceeds of HK\$65.3 million has been utilised. An analysis of the net proceeds from the date of listing of the Company up to the date of this announcement is set out below:

	Approximate % of total IPO proceeds	Utilised IPO proceeds as of date of this announcement (HK\$ million)	Unused IPO proceeds as of date of this announcement	Proposed timetable for utilising the remaining balance of IPO proceeds
Developing and expanding our online marketing channels and resources for our marketing and promotion services	42.2	26.2	16.3	On or before 31 December 2024
Further developing and expanding our supplier base and types of virtual goods on offer	26.7	18.0	8.9	On or before 31 December 2024
Acquiring companies in marketing and related industries	14.9	15.0	–	On or before 31 December 2023
Developing and operating our SaaS enterprise marketing service platform as a means to expand our marketing channels	6.3	–	6.3	On or before 31 December 2024
General working capital	9.9	6.1	3.9	On or before 31 December 2024
Total	<u>100.0</u>	<u>65.3</u>	<u>35.4</u>	

GENERAL

The Prospectus Documents, containing further information on the Rights Issue will be despatched to the Qualified Shareholders on Monday, 20 November 2023. To the extent reasonably practicable, the Prospectus will be despatched to the Excluded Shareholders for their information only. Shareholders and potential investors should exercise caution in dealing in the Shares.

LISTING RULES IMPLICATIONS

Since the Rights Issue would not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not conditional upon approval by the Shareholders.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Thursday, 9 November 2023. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 22 November 2023 to Wednesday, 29 November 2023 (both dates inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Wednesday, 13 December 2023) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company will be closed from Monday, 13 November 2023 to Friday, 17 November 2023 (both dates inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company in Hong Kong on the Record Date, which is currently expected to be Friday, 17 November 2023. In order to be registered as a member of the Company in Hong Kong on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration by 4:30 p.m. on Friday, 10 November 2023.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Rego Interactive Co., Ltd, a company incorporated in the Cayman Islands with limited liability, which Shares are listed on the main board of the Stock Exchange (stock code: 2422)

“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Controlling Shareholder(s)”	the group of controlling shareholder(s) having the meaning ascribed to it in the Listing Rules of our Company, which collectively refers to Mr. Tian Huan, Mr. Chen Ping, Mr. Zhang Yongli, Tanshin Investments Limited, Vicen Investments Limited and Sprus Investments Limited
“Director(s)”	the director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GO Obligation”	the obligation to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates
“Last Trading Day”	Friday, 3 November 2023, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Unsubscribed Arrangements
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) which is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	uSMART Securities Limited, a licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Long Stop Date”	13 December 2023, or such other date as may be agreed between the Company and the Placing Agent as the latest date for placing, and payment for, the Unsubscribed Rights Shares under the Placing Agreement
“Placing Period”	the period from 7 December 2023 to 12 December 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements

“Placing Price”	the placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	Monday, 20 November 2023 (or such other date as the Company may determine), being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which for the purpose of this announcement does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Friday, 17 November 2023 (or such other date as the Company may determine), being the date by reference to which entitlements to the Rights Issue are to be determined
“Rights Issue”	the proposed issue of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date, payable in full upon acceptance
“Rights Share(s)”	up to 500,000,000 new Share(s) proposed to be allotted and issued under the Rights Issue (assuming no change in the number of Shares in issue from the date of this announcement up to and including the Record Date)
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of US\$0.001 in the share capital of the Company

“Shareholder(s)”	holder(s) of (a) Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.2 per Rights Share pursuant to the Rights Issue
“Substantial Shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers, Mergers and Share Buy-Backs
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Rego Interactive Co., Ltd
Chen Ping
Chairman and executive Director

Hong Kong, 3 November 2023

As at the date of this announcement, the Board comprises Mr. Chen Ping, Mr. Tian Huan, Mr. Zhang Yongli, Mr. Fan Lianshun, Mr. Xia Yuanbo and Ms. Zeng Zhen as executive Directors; and Ms. Hu Huijun, Mr. Wan Lixiang and Mr. Zhao Zhongping as independent non-executive Directors.