
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **GoFintech Innovation Limited**, you should at once hand the Prospectus Documents, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "16 DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents or other documents referred to above.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed "Warning of the risks of dealing in the Shares and nil-paid Rights Shares" in the "Letter from the Board" in this Prospectus.



GoFintech Innovation Limited

國富創新有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: <https://290.com.hk/>

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE

Placing Agent



Fortune (HK) Securities Limited

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

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Friday, 26 January 2024. The procedures for acceptance and transfer of the Rights Shares are set out in the section headed "Proposed Rights Issue – Procedures for acceptance, splitting of PAL and payment and/or transfer" in the "Letter from the Board" of this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Wednesday, 20 December 2023. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 16 January 2024 to Tuesday, 23 January 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (where applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Conditions of the Rights Issue" in the "Letter from the Board" in this Prospectus. Shareholders and potential investors of the Company should note that: (a) if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed; and (b) 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 be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. Accordingly, the Rights Issue and the Placing Arrangement may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

12 January 2024

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EXPECTED TIMETABLE

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

Events	Time and Date
Despatch of the Prospectus Documents (in the case of Excluded Shareholders, the Prospectus only)	Friday, 12 January 2024
Effective date of change in board lot size from 4,000 Shares to 40,000 Shares	Friday, 12 January 2024
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 12 January 2024
First day of dealings in nil-paid Rights Shares	Tuesday, 16 January 2024
Latest time for splitting of the PALs	4:00 p.m. on Thursday, 18 January 2024
Last day of dealings in nil-paid Rights Shares	Tuesday, 23 January 2024
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Friday, 26 January 2024
Latest time to lodge transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Friday, 26 January 2024
Announcement of the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 31 January 2024
Commencement of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Thursday, 1 February 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Thursday, 1 February 2024

EXPECTED TIMETABLE

Events	Time and Date
Latest time for the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	6:00 p.m. on Monday, 5 February 2024
Latest Time for Termination/time for the Rights Issue and placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	4:00 p.m. on Tuesday, 6 February 2024
Announcement of the results of Rights Issue (including the results of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent and the amount of the Net Gain per the Unsubscribed Rights Share and the ES Unsold Rights Share under the Compensatory Arrangements)	Wednesday, 7 February 2024
Despatch of share certificates for fully-paid Rights Shares	Thursday, 8 February 2024
Refund cheques, if any, to be despatched (if the Rights Issue is terminated)	Thursday, 8 February 2024
Expected commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 9 February 2024
Payment of the Net Gain (if any) to the relevant No Action Shareholders (if any)	Friday, 23 February 2024

All times and dates in this Prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this prospectus 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 and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by a super typhoon in force in Hong Kong on Friday, 26 January 2024, being the date of the Latest Time of Acceptance:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 26 January 2024. The latest time for acceptance of and payment for the Rights Shares will instead be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 26 January 2024. The latest time for acceptance of and payment for the Rights Shares will instead be rescheduled to 4:00 p.m. on the 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 does not take place on or before 4:00 p.m. on Friday, 26 January 2024, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 17 October 2023 in relation to, among other things, the Rights Issue
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon or on which a “black” rainstorm warning is in effect 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
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares per board lot to 40,000 Shares per board lot
“Circular”	the circular of the Company dated 1 December 2023 in relation to, among other things, the Rights Issue
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“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)

DEFINITIONS

“Compensatory Arrangements”	arrangement involving the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares 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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Liu”	Dr. Liu Zhiwei, the chairman of the Company and an executive Director, beneficially holds 334,547,000 Shares, representing approximately 21.15% of the entire issued share capital of the Company (assuming no change in the issued share capital of the Company on or before the Record Date)
“EGM”	extraordinary general meeting of the Company held and convened on Monday, 18 December 2023 at which the Rights Issue, the Placing Agreement and the transactions contemplated thereunder were approved
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Excluded Shareholder(s)”	such Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	17 October 2023, being the last full trading day for the Shares prior to the release of the Announcement
“Latest Practicable Date”	4 January 2024, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Friday, 26 January 2024, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 6 February 2024, being the first business day after the latest time for the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent, being the latest time to terminate the Placing Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	any premiums paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements

DEFINITIONS

“No Action Shareholder(s)”	the Qualifying Shareholder(s) who do not subscribe for the Rights Shares under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, or the Excluded Shareholder(s) in respect of ES Unsold Rights Shares (as the case may be)
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appears on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s) procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement, who and whose ultimate beneficial owners (as the case may be) (i) shall be Independent Third Parties; (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, upon completion of the Rights Issue, own 10.00% or more of the voting rights of the Company; (iii) shall not, together with any party acting in concert with it/them (within the meaning of the Takeovers Code), will hold 30% (or such percentage which will trigger an obligation to make a mandatory general offer to the other Shareholders under the Takeovers Code) or more of the voting rights of the Company
“Placing Agent”	Fortune (HK) Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements

DEFINITIONS

“Placing Agreement”	the placing agreement dated 17 October 2023 entered into conditionally between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis
“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed “Placing Agreement” in the “Letter from the Board” in this Prospectus
“Poll Results Announcement”	the announcement of the Company dated 18 December 2023 in relation to, among other things, the poll results of the EGM
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus to be issued to the Shareholders containing, among other things, details of the Rights Issue
“Prospectus Documents”	this Prospectus and the PAL and any supplementary prospectus or supplementary provisional allotment letter (to be despatched if required)
“Prospectus Posting Date”	Friday, 12 January 2024 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Tuesday, 2 January 2024 or such other date as the Company may determine, being the date by reference to which the Shareholders’ entitlements to the Rights Shares pursuant to the Rights Issue are to be determined
“Registrar”	Union Registrars Limited, the branch share registrar of the Company in Hong Kong, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 4,744,684,386 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date)
“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 shares 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 Price”	HK\$0.10 per Rights Share
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“trading day”	means a day on which the Stock Exchange is open for the trading of securities
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“Unutilised Sum”	unutilised proceeds raised from the Company’s issuance of convertible bonds in 2017 in the approximate amount of HK\$120 million
“USA”	United States of America
“%”	per cent

The English text of this Prospectus and the accompanying PAL shall prevail over their respective Chinese text in case of inconsistency.

LETTER FROM THE BOARD



GoFintech Innovation Limited
國富創新有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: <https://290.com.hk/>

Executive Directors

Dr. LIU Zhiwei (*Chairman*)

Mr. HUA Yang (*Chief Executive Officer*)

Ms. SUN Qing

Registered office

P.O. Box 309, Umland House

Grand Cayman, KY1-1104

Cayman Islands

Non-executive Directors

Mr. HAN Hanting

Dr. NIE Riming

*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

Independent non-executive Directors

Mr. CHAN Kin Sang

Mr. CHIU Kung Chik

Mr. LI Gaofeng

Ms. LUI Mei Ka

12 January 2024

*To: the Qualifying Shareholders and,
for information purpose only, the Excluded Shareholders*

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the Announcement, the announcements of the Company dated 23 November 2023 and 28 December 2023, the Circular and the Poll Results Announcement in relation to, amongst other things, the Rights Issue.

LETTER FROM THE BOARD

On 17 October 2023, the Company proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, at the Subscription Price of HK\$0.10 per Rights Share, to raise gross proceeds of approximately HK\$474.47 million before deducting the costs and expenses by way of issuing up to 4,744,684,386 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date). The Rights Issue is not underwritten and will not be extended to the Excluded Shareholder(s) (if any).

At the EGM, the resolution for approving, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, was duly passed by the Independent Shareholders by way of poll. As the Company has no controlling Shareholder as defined under the Listing Rules, Dr. Liu, being the chairman of the Company and an executive Director, beneficially holds 334,547,000 Shares, representing approximately 21.15% of the entire issued share capital of the Company (assuming no change in the issued share capital of the Company on or before the Record Date), together with his associates, abstained from voting in favour of the proposed resolution to approve the Rights Issue, the Placing Agreement and the transaction contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules.

The purposes of this Prospectus are to provide you with, among other things, (i) further information on the Rights Issue; and (ii) other certain financial and other general information of the Group as required under the Listing Rules.

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, at the Subscription Price of HK\$0.10 per Rights Share, to raise gross proceeds of approximately HK\$474.47 million before deducting the costs and expenses by way of issuing up to 4,744,684,386 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date).

LETTER FROM THE BOARD

Details of the Rights Issue are set out as follows:

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.10 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,581,561,462 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 4,744,684,386 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date)
Aggregate nominal value of the Rights Shares:	:	Up to HK\$474,468,438.60 (assuming no change in the issued share capital of the Company on or before the Record Date)
Number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 6,326,245,848 Shares (assuming no change in the issued share capital of the Company on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Amount to be raised by the Rights Issue before expenses	:	Up to approximately HK\$474.47 million (assuming no change in the issued share capital of the Company on or before the Record Date and all the Rights Shares will be taken up)

Assuming that there is no change in the issued share capital of the Company on or before the Record Date, the number of 4,744,684,386 Rights Shares to be issued and allotted pursuant to the Rights Issue represent (i) 300.00% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 75.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

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 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 be placed to independent Places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue, and there are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

Irrevocable Undertaking

The Company has not received any information or irrevocable undertaking from any other Shareholder of the Company of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

Subscription Price

The Subscription Price of HK\$0.10 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

LETTER FROM THE BOARD

The Subscription Price of HK\$0.10 per Rights Share represents:

- (i) a discount of approximately 57.08% to the closing price of HK\$0.233 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 9.09% to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 17 October 2023, being the Last Trading Day;
- (iii) a discount of approximately 12.28% to the average closing price of HK\$0.114 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.09% to the average closing price of HK\$0.110 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 2.44% to the theoretical ex-rights price of approximately HK\$0.1025 per Share based on the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 9.97%, represented by the theoretical diluted price of approximately HK\$0.1039 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK\$0.1154 per Share, taking into account the closing price on the Last Trading Day of HK\$0.110 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Announcement of HK\$0.1154 per Share; and
- (vii) a discount of approximately 46.67% to the consolidated net asset value per Share of approximately HK\$0.1875 (based on the latest published audited net asset value attributable to owners of the Company of approximately HK\$296.47 million as disclosed in the annual report of the Company for the year ended 31 March 2023 and 1,581,561,462 Shares in issue as at the Last Trading Day).

The Subscription Price was arrived at with reference to, amongst others,

- (a) the prevailing trading price of the Shares over the period from 18 September 2023 to the Last Trading Day, being the month prior and up to the Last Trading Day which presented a fluctuation in the range of HK\$0.093 to HK\$0.200, as compared to the previous months and which (i) the Directors were unaware of any reason for such volatility; and (ii) presented a downward trend;

LETTER FROM THE BOARD

- (b) throughout the period from 18 September 2023 to the Last Trading Day, the highest Share price of HK\$0.200 recorded on 18 September 2023 was the only date throughout the aforementioned period with a Share price exceeding to the latest published audited net asset value per Share of approximately HK\$0.1875 as at 31 March 2023; meanwhile from 19 September 2023 to the Last Trading Day, the Share price ranged between HK\$0.093 to HK\$0.173, representing a discount ranging from approximately 7.73% to 50.40% to the latest published audited net asset value per Share of approximately HK\$0.1875 as at 31 March 2023;
- (c) the reasons as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in this Prospectus; and
- (d) the Subscription Price with a discount of approximately 46.67% to the net asset value per Share represents a smaller discount when compared to that of other listed companies which recently conducted rights issue, and the following table providing an overview of the recent rights issue exercises conducted by listed companies (with regards to statistics of their relevant circulars and based on the criteria of (I) shares listed and traded on the main board of the Stock Exchange; and (II) size of the rights issue triggering the requirements of approval by independent shareholders in a general meeting), which are reflective of the latest market conditions and sentiments:

	Names of Listed Company <i>(note)</i>	Despatch date of circular regarding rights issue	Subscription price discount to the latest published net asset value per Share	Audited/ Unaudited net asset value per Share	Reference date for number of shares
(i)	China Investment Development Limited (Stock code: 204)	16 June 2023	83.05%	Unaudited	30 April 2023
(ii)	GBA Holdings Limited (Stock code: 261)	25 July 2023	90.24%	Audited	19 July 2023
(iii)	Future World Holdings Limited (Stock code: 572)	10 August 2023	92.64%	Audited	8 August 2023
(iv)	Tesson Holdings Limited (Stock code: 1201)	24 August 2023	72.20%	Audited	18 August 2023
(v)	Artgo Holdings Limited (Stock code: 3313)	25 August 2023	95.17%	Audited	4 August 2023

Note:

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Directors are of the view that the companies aforementioned fit the selection criteria and are fair and representative, and further in view of the above, it is considered that such selection criteria to select the above companies for comparison are appropriate.

LETTER FROM THE BOARD

Furthermore, the Directors are of the view that (i) it would be reasonable for the Subscription Price to be set at a level considerably lower than that of the price of the Shares as at the Last Trading Day, under the current situation where there is a relatively large fundraising size when compared with the market capitalisation of the Company as at the Last Trading Day, it will enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue and subscribe for the Rights Shares in proportion to such Qualifying Shareholders' existing shareholding in the Company; and (ii) the financial position and the financial performance of the Group in general for the year ended 31 March 2023 reflected a necessity of equity financing for investment sums to bring an upturn to the Group's businesses, and the Subscription Price with considerable discount strikes a balance between such necessity for fund and the attractiveness required for the Qualifying Shareholders to participate in the Rights Issue.

Therefore, the Directors consider 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 provisional allotment of Rights Shares is estimated to be approximately HK\$0.0997 (assuming no change in the issued share capital of the Company on or before the Record Date).

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares in their fully-paid form.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares (in nil-paid form) for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

LETTER FROM THE BOARD

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be accordingly diluted.**

Rights of Overseas Shareholders (if any)

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholder(s). The results of the enquiries and basis for excluding the Excluded Shareholders, if any, from the Rights Issue, is set out below in this Prospectus. The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, 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, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholder(s) in Hong Kong dollars. In view of administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

LETTER FROM THE BOARD

Any ES Unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

As at the Latest Practicable Date, with reference to the most updated information available from the Registrar regarding the Shareholders, there are a total of six (6) Overseas Shareholder(s) with registered addresses situated outside Hong Kong. Such Overseas Shareholders' registered addresses are all situated in the PRC, and they are interested in aggregate of 449,797,377 Shares, representing approximately 28.44% of the total number of the issued Shares. Given the register of members is closed from Friday, 22 December 2023 to Tuesday, 2 January 2024, the Company confirms the above information regarding Overseas Shareholder(s) and their shareholding are true and accurate as at the Record Date.

In compliance with the Listing Rules, the Directors have made enquiries with the legal advisers as to the laws of the PRC, on whether or not under the laws of the PRC the Rights Issue could be extended to the PRC Shareholder(s). The legal adviser to the Company as to the laws of the PRC are of the view that there are no legal restrictions in the PRC which prohibit the PRC Shareholder(s) from subscribing, paying for and receiving the Rights Shares under the Rights Issue; and there are no requirements of any relevant regulatory body in the PRC that limits any right of the PRC Shareholder(s) to subscribe, pay for and receive the Rights Shares under the Rights Issue. Accordingly, the extension of the Rights Issue to the PRC Shareholders and the offering of the Rights Shares to them will not violate any applicable law or regulations in the PRC. It is the responsibility of the PRC Shareholder(s) to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Rights Shares. Based upon such legal advice, the Directors have decided to extend the Rights Issue to the PRC Shareholder(s), and the PRC Shareholder(s) shall therefore be Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights 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 should exercise caution when dealing in the Shares of the Company.

LETTER FROM THE BOARD

Distribution of the Prospectus Documents

The Prospectus Documents are not intended to be, have not been and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will only send the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Excluded Shareholders (if any). The Company will not send any PALs to the Excluded Shareholders (if any).

Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or beneficial owner of the Shares who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Receipt of this Prospectus and/or a PAL or the crediting of nil-paid Rights Shares to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil-paid Rights Shares to any person in, into or from, any such jurisdiction. If a PAL or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such action would not violate any applicable legal or regulatory requirements.

Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company.

LETTER FROM THE BOARD

Beneficial owners of the Shares who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Proposed Rights Issue – Procedures for acceptance, splitting of PAL and payment and/or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, by not later than 4:00 p.m. on Friday, 26 January 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares” in the “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**GOFINTECH INNOVATION LIMITED – PAL**” and crossed “**ACCOUNT PAYEE ONLY**”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Friday, 26 January 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Thursday, 18 January 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” of this Prospectus is not fulfilled at or before 4:00 p.m. on Tuesday, 6 February 2024 or such later date as may be considered by the Company, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 8 February 2024.

Cheques and cashier orders

All cheques and cashier orders accompanying completed PALs will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier order in payment for the Rights Shares, whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier order is dishonoured on first presentation, and in that event the relevant provisional allotment of Rights Shares and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. No receipt will be issued in respect of any PAL and/or relevant remittance received.

LETTER FROM THE BOARD

Beneficial owners' instructions to their Intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

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

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of No Action Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance of the Rights Shares to independent Placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m., on Monday, 5 February 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and ES Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (i) 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
- (ii) the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) and (ii) above of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

Placing Agreement – Arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares

On 17 October 2023 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

Details of the Placing Agreement are as follows:

Date	:	17 October 2023 (after trading hours of the Stock Exchange)
Issuer	:	The Company
Placing Agent	:	Fortune (HK) Securities Limited, appointed as the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis, is an indirect wholly-owned subsidiary of the Company.

The Placing Agent confirmed that it is a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO.

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Fees and expenses : The commission payable to the Placing Agent shall be 1.0% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (i.e. the placing price multiplied by the aggregate of Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement).

The Company will pay all out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Placing Arrangement (excluding legal and other professional fees and expenses) which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at the completion of the Rights Issue.

Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be) : The placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be) shall be at least equal to the Subscription Price.

The final price determination is dependent on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights during the process of placement.

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Placees : The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to Placees, being any individuals, corporate, institutional investor(s) or other investor(s). The Placing Agent shall ensure each of such Placees, who and whose ultimate beneficial owner(s) (as the case may be) (i) shall be Independent Third Parties; (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, upon completion of the Rights Issue, own 10.00% or more of the voting rights of the Company; and (iii) shall not, together with any party acting in concert with it/ them (within the meaning of the Takeovers Code), will hold 30% (or such percentage which will trigger an obligation to make a mandatory general offer to the other Shareholders under the Takeovers Code) or more of the voting rights of the Company.

The Company shall further ensure that upon completion of the Rights Issue and placing under the Compensatory Arrangements, the public float requirements under Rule 8.08(1)(a) of the Listing Rules remain fulfilled by the Company.

Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares : The Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue as at the date of allotment and issue.

LETTER FROM THE BOARD

Conditions
Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions (the “**Conditions**”) being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
- (ii) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the termination events.

None of the above Conditions may be waived. For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing Arrangement will not proceed.

LETTER FROM THE BOARD

The Company shall use its best endeavour to procure the fulfilment of the Conditions 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 Latest Time for Termination (or such later date as the Company and the Placing Agent may agree in writing) or become incapable of being fulfilled, then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine and none of the parties thereto shall have any claim against any other in respect of the Placing, save for any antecedent breaches under the Placing Agreement.

Termination : The Placing Arrangement shall end on the Latest Time for Termination or any other date mutually agreed by the Placing Agent and the Company in writing.

The Placing Agent may by giving a written notice to the Company at any time prior to the Latest Time for Termination, 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, if any of the following events occur at any time prior to the Latest Time for Termination, which upon the occurrence of such events, in the reasonable opinion of the Placing Agent (after consultation with the Company), has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing Arrangement or otherwise makes it inappropriate to proceed with the Placing Arrangement on the terms and in the manner contemplated in the Placing Agreement:

LETTER FROM THE BOARD

- (a) there develops, occurs or comes into force:
 - (i) any material adverse event, development or change and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong; or
 - (ii) 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
 - (iii) any moratorium, suspension or restriction on trading in shares or securities (for more than ten (10) consecutive trading days) generally on the Stock Exchange due to exceptional financial circumstances; or
 - (iv) there is any adverse change in the financial position of any members of the Group, which in the reasonable opinion of the Placing Agent is material in the context of the Placing Agreement; or

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- (b) 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 Latest Time for Termination 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.

The terms of the Placing Agreement, including but not limited to the commission payable, were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms with reference to the prevailing market rates, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider the terms of such Placing Arrangement of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As elaborated above, the Unsubscribed Rights Shares and the ES Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Directors are of the view that the Placing Arrangement contemplated above are fair and reasonable, would provide adequate safeguard to protect the interest of the Company's minority Shareholders and are in the best interests of the Shareholders as a whole:

- (i) the Compensatory 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;

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- (ii) the Compensatory Arrangements and the Placing (including the determination of the placing price) will be managed by the Placing Agent which is not a connected person to the Company and a licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the placing Shares; and
- (iii) the Compensatory Arrangements would provide a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company and a compensatory mechanism for No Action Shareholders.

Given that the Company has put in place the Placing Arrangement 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.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions:

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (ii) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus and the PALs (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the Listing Rules by no later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Excluded Shareholders, if any, for information purposes only) by the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

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None of the above conditions precedent can be waived. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. As at the Latest Practicable Date, condition (i) above has been satisfied.

As the proposed Rights Issue is subject to the above conditions, such Rights Issue may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee 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. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 40,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading 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 licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty; (ii) the Stock Exchange trading fee; (iii) SFC transaction levy; and (iv) any other applicable fees and charges in Hong Kong.

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue stipulated above, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Thursday, 8 February 2024.

If the Rights Issue does not become unconditional, refund cheques (without interest) are expected to be despatched on or before Thursday, 8 February 2024 by ordinary post at the respective Shareholders' own risk, to their registered address.

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CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company has been closed from Friday, 22 December 2023 to Tuesday, 2 January 2024 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. No transfer of Shares were registered during this book closure period.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Company is an investment holding company whereas the Group is a cross-border, cross-industry financial technology investment platform based in Hong Kong, backed by the Greater Bay Area, and focused on the international market. The Group comprises subsidiaries which (i) provide money lending services; and (ii) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The current business of the Group includes investment banking, securities brokerage, asset management, margin financing, insurance brokerage, money lending, debt investment and equity investment. The Group is deeply rooted in the local market of Hong Kong, with a strong presence in the financial services sector. It strategically invests in the financial technology industry, actively responding to the Hong Kong government's digital economic development strategy. By embracing the theme of technological innovation, the Company drives its development through innovation, contributing to Hong Kong's position as an international financial center and accelerating the growth of the Web 3.0 ecosystem.

Assuming (i) the full acceptance of the Rights Issue; and (ii) assuming that no new Shares will be allotted or issued on or before the Record Date, the gross proceeds to be raised from the Rights Issue will be up to approximately HK\$474.47 million and the net proceeds (after deducting the relevant costs and expenses of the Rights Issue) to be raised from the Rights Issue will be up to approximately HK\$472.97 million. The relevant expenses would be approximately HK\$1.50 million, which includes placing commission and professional fees payable to legal advisors, financial printer and other parties involved in the Rights Issue. The net price per Rights Share is estimated to be approximately HK\$0.0997.

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With reference to the above, the net proceeds raised from the Rights Issue will be substantially utilised to satisfy the expansion anticipated by the Group and relevant business opportunities and correspondingly have the intended use as set forth in the following table and elaborations thereafter:

Intended use of net proceeds	Net proceeds (approximate)	Approximate percentage of net proceeds	Expected Timeline for Full Utilisation
(A) Working capital for the Group's principally engaged businesses	HK\$244.00 million	51.59%	
(i) In respect of money lending business:			
(a) Providing lending for both individuals and corporate (prioritising secured loans) and factoring financing in the amount ranging from HK\$5 million to HK\$10 million for each factoring contract	HK\$60.00 million		Within three (3) months after completion of the Rights Issue
(b) Providing large-scale loan with secured assets in high quality	HK\$40.00 million		Within three (3) months after completion of the Rights Issue
Sub-total:	HK\$100.00 million	21.14%	
(ii) In respect of margin financing business:			
(a) Enlarging the client base who possess premium and high-quality stocks and re-building margin loan book	HK\$30.00 million		Within three (3) months after completion of the Rights Issue
(b) Developing the securities margin services for those clients' subscription of the shares in newly listed companies under the FINI system by the Stock Exchange	HK\$20.00 million		Within three (3) months after completion of the Rights Issue
Sub-total:	HK\$50.00 million	10.57%	

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Intended use of net proceeds	Net proceeds (approximate)	Approximate percentage of net proceeds	Expected Timeline for Full Utilisation
(iii) In respect of asset management business:			
(a) affording the pre-operation costs for the establishment of Qualified Domestic Limited Partnership (“QDLP”) asset management business in the province of Hainan of the PRC	HK\$30.00 million		Within three (3) months after completion of the Rights Issue
(b) covering the operation expenses for the promotion of the asset management business in Shenzhen, PRC and Hong Kong	HK\$20.00 million		Within six (6) months after completion of the Rights Issue
Sub-total:	HK\$50.00 million	10.57%	
(iv) In respect of corporate finance business:			
(a) Expanding investment banking business to the market of the USA	HK\$24.00 million		Within three (3) months after completion of the Rights Issue
(b) Payment of services fees to third parties in connection to the business promotion of the Group for investment banking business in Hong Kong	HK\$20.00 million		Within six (6) months after completion of the Rights Issue
Sub-total:	HK\$44.00 million	9.31%	
(B) Reserved as seed money for the investment funds to be established and operated under the Group’s asset management business	HK\$140.00 million	29.60%	
(i) seed money for an investment fund to be established with focus primarily on major secondary equity markets in Hong Kong, PRC and the USA	HK\$90.00 million		Within six (6) months after completion of the Rights Issue
(ii) seed money for an investment fund to be established with focus primarily on private equity targets seeking initial public offerings in the securities markets of Hong Kong and the USA	HK\$50.00 million		Within six (6) months after completion of the Rights Issue

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Intended use of net proceeds	Net proceeds (approximate)	Approximate percentage of net proceeds	Expected Timeline for Full Utilisation
(C) General working capital of the Group, including staff cost, rental expenses and other office overhead of the Group	HK\$54.97 million	11.62%	
(i) paying staff costs	HK\$34.97 million		Within twelve (12) months after completion of the Rights Issue
(ii) paying rental expenses and other office overhead of the Group	HK\$15.00 million		Within twelve (12) months after completion of the Rights Issue
(iii) paying cost of upgrading IT system	HK\$5.00 million		Within six (6) months after completion of the Rights Issue
(D) Investment into and operation of companies within the financial technology sector	HK\$24.00 million	5.07%	Within six (6) months after completion of the Rights Issue
(E) Repayment of the principal amount of the corporate bonds and the interest accrued therefrom (in the aggregate amount outstanding being approximately HK\$14.46 million), which are becoming due and payable during the period from December 2023 to April 2024	HK\$10.00 million	2.11%	Within six (6) months after completion of the Rights Issue
Total:	HK\$472.97 million	100.00%	

Note: The above percentages have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

With respect to items (A), (B) and (D) of the above table, even though the Company has not formed any specific business and/or investment proposal in connection thereto as at the Latest Practicable Date, with elaborations below in this Prospectus, the Company has been approached by entities, projects and clients to further discover and materialise suitable business and/or investment opportunities. As a whole, it is the Company's observation that more high-quality assets with more competitive market price will emerge under the current background of market downturn in the macro-economic cycle, therefore it is expected by the Company that suitable business and/or investment opportunities would be materialised in the forthcoming twelve (12) months.

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The Group's principally engaged businesses, as reflected from item (A) of the above table, include, amongst others, money lending, margin financing (being part of such business for dealing in securities), asset management and corporate finance. Taking into account of the business expansion anticipated in these segments elaborated below, (i) approximately HK\$100.00 million will be utilised for supporting the Group's money lending business; (ii) approximately HK\$50.00 million will be utilised for the Group's margin financing business; (iii) approximately HK\$50.00 million will be utilised for the business operations and expansion for the Group's asset management business; and (iv) approximately HK\$44.00 million will be utilised for the Group's corporate finance business:

(i) For money lending business (item (A)(i) of the above table)

The Company operates it through its wholly-owned subsidiary, a licensed money lender, and such subsidiary is experienced in providing money lending services.

As at the Latest Practicable Date, there are, by estimation, four (4) potential loans under negotiations. These potential loans comprise of corporate loans with principal amount in the range of approximately HK\$9 million to HK\$11 million and property mortgage loans with principal amount in the range of approximately HK\$15 million to HK\$20 million.

In view of the above and the growth in enquiry for money lending business in the recent months, the Company is of the view that the injection of net proceeds to be raised in the Rights Issue into this segment will help expand its current money lending businesses comprising corporate loans, personal loans and mortgages, capture potential opportunities arisen from provision of large-scale loans (with (a) secured assets; and (b) respective principal amount of HK\$10 million or above) and reactivate the business of factoring financing.

(ii) For margin financing business (item (A)(ii) of the above table)

The Company operates it through its wholly-owned subsidiary, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO, which has operated its brokerage and margin businesses for more than twenty (20) years and has margin interest as one of its major revenue sources.

With respect to margin financing business, it is traditionally reliant on banks' provision of funding for extension of margin financing service, which would incur interests and create burden of payment onto the Group. On the other hand, by means of funding from the Group itself to develop its own securities margin services, such dependence on banks can be reduced in the course of expansion, and correspondingly, the Group's subsidiary operating such business will become more flexible and be able to come up with a more competitive interest rates, thus attracting more clients and their bringing of good-quality securities as collaterals. Accordingly, an approximate amount of HK\$30 million to be raised

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as part of the net proceeds in the Rights Issue will be designated for the purpose of enlarging the clientele base by means of widening the capital base available for this segment of business.

With the expectation that more clients will engage the margin financing services provided by the Group, the injection of funds into this segment of business is also necessitated owing to the launching of FINI initiative, a digitalised platform of settlement, by Hong Kong Exchanges and Clearing Limited. To the Group's margin financing business, this modernised cloud-based platform permits direct connection and collaboration with stakeholders when it comes to initial public offering, margin financing required thereunder and its settlement. Thus, an approximate amount of HK\$20 million to be raised as part of the net proceeds in the Rights Issue will be allocated for developing and enhancing the securities margin financing services.

In view of the potential opportunities above and the frequent enquiries from existing and potential clients on the provision of stock margin facilities since the start of the 4th quarter of 2023, the Company is of the view that the injection of net proceeds to be raised in the Rights Issue into this segment of business will allow extra funding to support and build a sound and larger-sized loan portfolio, the overall revenue of this segment will be promoted with the increase in commission income and thereby benefiting the securities brokerage business as a whole. While the full utilisation of such provision depends on the market atmosphere later on, the Group is carefully optimistic regarding the markets of Hong Kong with anticipation of growth in business during 1st quarter of 2024.

(iii) For asset management business (item (A)(iii) of the above table)

Part of the injection of net proceeds to be raised in the Rights Issue (in the approximate amount of HK\$20 million) serves as operation expenses for asset management businesses in Shenzhen and Hong Kong, which comprise fees for annual legal retainer, staff costs, expenses on the development of the business of external asset management (encompassing cooperation with private banking and other asset management entities to provide consultancy and asset management services) such as salaries of staff and costs of recruitment.

Part of the injection of net proceeds to be raised in the Rights Issue (in the approximate amount of HK\$30 million) serves the purpose as costs and expenses for the establishment and operation of QDLP asset management business in the province of Hainan, such costs and expenses include but not limited to (i) the registered capital in the approximate amount of HK\$11 million; (ii) legal costs incurred therewith, salaries of staff and executives and rental expenses of QDLP for its first year of operation in the approximate amount of HK\$2.5 million; (iii) initial investment funding of QDLP in the approximate amount of HK\$9 million; and (iv) reserved capital in the amount of approximately HK\$7.5 million for the purpose of contingent funding to be utilised for

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potential investment opportunities and business development as and when appropriate. Such establishment of QDLP aims to make investment into companies prior to initial public offering (whether or not as cornerstone investor of such companies) and into projects as investment target.

It is the Group's intention to expand its asset management business by means of the establishment of QDLP in the province of Hainan in view of the bottleneck experienced by the Group's asset management business in the PRC. As at the Latest Practicable Date, the main focus of the Group's asset management business in the PRC are the established Qualified Foreign Limited Partnership and Qualified Domestic Investment Enterprise in Shenzhen. However, the local authorities impose restrictions on these two forms of entity regarding their investments, limiting their investments to only private equity and start-up investment funds. Moreover, with the support of national policies from the PRC, the establishment of QDLP in the province of Hainan, which is becoming more opened up for investments, allows more possibility in terms of options to invest including the investments as cornerstone investors, bonds and securities in secondary market.

With the prospective QDLP established in the province of Hainan, it is planned, with the abovementioned investments permitted to be made via the QDLP as a platform, and by management of the investment assets, which is currently aimed to be in the approximate amount of HK\$300 million to HK\$500 million, management fee and anticipated investment income will be the major source of income for such business.

(iv) For corporate finance business (item (A)(iv) of the above table)

The injection of net proceeds to be raised in the Rights Issue will be utilised (i) for projects of the USA securities market on initial public offering and listing of special purpose acquisition companies (collectively, the "US IPO & SPAC Projects"); and (ii) on payment to other parties of services fees in connection to business promotion therewith.

In respect of the US IPO & SPAC Projects, the business expansion involving the Group's participation as advisory service provider and middleman to cooperate and communicate with potential clients, different projects and targets for facilitating their engagement of listing in the securities market of the USA. It is expected that an amount of approximately HK\$24 million will be required as payment to different professional parties including but not limited to underwriters in the securities market of the USA, auditors and legal advisors. Such participation into the securities markets of the USA and business does not need license to be conducted.

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Furthermore, the fund utilisation with respect to the Group's investment banking business in Hong Kong and the promotion of its corporate finance business entails service charges and advance payment to different professional parties such as consultants, valuers, financial advisors, etc. as they conduct services for the Group, and an amount of approximately HK\$20 million is estimated to be needed for all these.

With respect to the reserved seed money for the cross-border investment funds to be established and operated under the Group's asset management business, which the Group are licensed to conduct such business, and in both Hong Kong and the PRC, the Group has abundant experiences in connection with investment-funds related asset management business. As aforementioned, the Group has previously established both Qualified Foreign Limited Partnership and Qualified Domestic Investment Enterprise in Shenzhen, in addition to that, the Group has established two Qualified Foreign Limited Partnerships in the province of Hainan in 2022, with subscription sums in the aggregate amount of approximately HK\$550 million, which accounted for a significant percentage of the investment sums under Qualified Foreign Limited Partnerships in the whole province of Hainan. Last but not least, the Group's asset management business has an overall portfolio of over HK\$10 billion and for staff employed as senior executives have no less than three years of experiences in terms of cross-border investment management with funds.

Regarding item (B) of the above table, the global economy has been recovering slowly throughout 2023 owing to the lifting of such measures to prevent COVID-19 pandemic and investors' confidence to the corporate finance market is on the rise. With the Group's prospect to expand the portfolio and scale of its asset management business as explained below, the Group intends to allocate funding capital for its investment funds under the Group's asset management business (which is carried out by its wholly-owned subsidiary as a licensed corporation to carry on Type 9 (asset management) regulated activity under the SFO as asset manager), by having (i) approximately HK\$90.00 million as seed money for an investment fund to be established with focus primarily on major secondary equity markets in Hong Kong, PRC and the USA; and (ii) approximately HK\$50.00 million as seed money for an investment fund to be established with focus primarily on private equity targets seeking initial public offerings in the securities markets of Hong Kong and the USA:

- (i) with respect to seed money for such investment fund to be established for investment in major secondary equity markets in Hong Kong, PRC and the USA, investment into securities will be primarily focused on those which (a) give rise to high dividend yield; and (b) are main constituents of the stock indices including but not limited to Hang Seng Index, Hang Seng TECH Index, FTSE China A50 Index, SSE50 Index, Dow Jones Industrial Average Index and Nasdaq Composite Index, which are traded in the major stock markets including (i) the Stock Exchange; (ii) Shanghai Stock Exchange and Shenzhen Stock Exchange of PRC; and (iii) NASDAQ and New York Stock Exchange of the USA, the intended instruments of investment would be made up of listed securities and share options. The investment sum of approximately HK\$90

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million will be allocated evenly among the secondary equity markets in the three jurisdictions of Hong Kong, the PRC and the USA. This is mainly due to the Group's overall optimism towards the more established securities markets in the world and such investments are made in the anticipation of long-term capital appreciation. Owing to the overall poor performance of securities in the midst of COVID-19 pandemic, it is noted that the securities in Hong Kong and the PRC are generally undervalued, amongst these securities, listed state-owned enterprises and companies providing public services are predicted to perform well. For the securities market in the USA, it is likely that companies in the industries of artificial intelligence, semi-conductors and software services will perform well. The management of such investment fund derives management fee and performance bonus which will serve as income stream for the Group; and

- (ii) with respect to seed money for such investment fund to be established for investment on private equity targets seeking initial public offerings, the Company observes that owing to the stagnant state of the markets in Hong Kong and the USA with respect to initial public offering, demand on investment on businesses or entities prior to their respective initial public offering, especially such businesses or entities with good financial performance, has notably increased as the valuation of such businesses or entities has dropped and therefore become more attractive for investment. As at the Latest Practicable Date, the aforementioned seed money will amount to approximately HK\$50.75 million (being 50% of the total investment sum under the investment fund in the amount of approximately HK\$101.50 million), and the targeted potential investment projects consist of (a) a national smart marketing and SaaS service platform service provider utilising technologies such as cloud computing, artificial intelligence and big data, with an initial intended investment amount of approximately HK\$13 million; (b) a technology company principally engaged in application of artificial intelligence in transportation, with an initial intended investment amount of approximately HK\$13 million; (c) a property services provider covering residential and commercial units, hotels and industrial parks, with an initial intended investment amount of approximately HK\$5.50 million; (d) a growing enterprise specialises in clean energy, with an initial intended investment amount of approximately HK\$15 million; and (e) a company principally engaged in the digitalised retail sales of flowers, with an initial intended investment amount of approximately HK\$4.25 million.

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Moreover, with the Company's principal engagement in the above businesses which are capital-intensive in nature, the maintenance and expansion of such principal businesses entail a healthy and sufficient level of cash flow of the Company on the following grounds:

- (a) For the purpose of maintaining and further expanding the Group's businesses conducting regulated activities under the SFO, such as Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, the Company is obliged to, from time to time satisfy the liquid capital requirements under The Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong). Therefore, the Company has to maintain adequate cash flow to procure compliance of the above said rule, safeguard against its risk of cash liquidity and ensure that its cash liquidity level could be timely replenished to the satisfaction of regulatory requirements as and when necessary;
- (b) With respect to the Group's principal businesses of asset management, a larger scale and higher sufficiency of cash resources would inherently increase the competitiveness of the Group and facilitate its business maintenance and expansion. For example, with adequate cash resources, the Group is able to consider injection of investment fund as seed capital or pioneer fund into the projects to be managed by the Group, this would significantly enhance the confidence and expectation of existing and potential clients in terms of the investment return and financial performance of such projects to be managed by the Group, and attract them to make investment in such projects, which in turn will enlarge the scale of assets under the Group's management and thereby increasing the Group's management fees to be charged therefrom; and
- (c) With respect to the Group's principal businesses of margin financing, money lending, debt investment and equity investment, the Group's capacities and competitiveness in the operation and expansion of such business are largely dependent on the level of its fund resources. For instance, with respect to the Company's businesses of margin financing and money lending, limited cash resources would inherently confine the business scale and limit the expansion of the Group's client bases in connection with those services. Moreover, a healthy and sufficient level of cash flow of the Company (as part of the financial information available for the public) demonstrates capital strength, which could increase the counterparties' trust and creditworthiness in the Company and also enhance the Company's bargaining power in the course of conducting its debt and equity investment businesses.

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In light of the above, the principal businesses of the Company are capital-intensive in nature, the maintenance and development of which rely on the support of cash resources of the Company. Therefore, fundraising activities by the Company are strategically significant for the Group's growth and development at all material times, and the Board is of the view that the Rights Issue and the intended use of proceeds raised therefrom, are in the interests of the Company and its Shareholders as a whole.

Notwithstanding that the assets of the Company may consist substantially of cash for a limited period of time transitional in nature, i.e., the period from the Company's receipt of the proceeds from the Rights Issue and up to its completion of substantial utilisation of those proceeds therefrom, the Board is of the view that such cash proceeds are utilised in accordance with the nature of the Group's business and fulfill the cash needs of its ordinary and usual course of business as mentioned above.

Throughout the recent years, the Group has conducted a number of times of equity financing in support of its expansion such that no interest burden will be increased on the Group and the financial position of the Group is enhanced. Owing to the continuous expansion, approximately 11.62% of the net proceeds to be raised in the Rights Issue will be allocated for the Group's general working capital.

Apart from focusing on the continuous organic growth of the Group's principal businesses, the Board has made and is prepared to make strategic investments with the target to incubate and expand into the financial technology business in addition to its existing traditional licensed financial businesses, and so as to continuously review on the operations and financial position of the Group for the purposes of formulating business plans and strategies with respect to the Group's long-term business development and seeking opportunities for the Group's current business segments to broaden the revenue and profit base of the Group. In light of which, as demonstrated from item (D) of the above table, as at the Latest Practicable Date, such net proceeds to be raised in the Rights Issue in the amount of approximately HK\$24.00 million are intended to be invested on targets including (a) an incubating platform in Hong Kong on financial technologies supporting projects such as those involving Web 3.0; and (b) a company focused on quantum finance with regards to its education and the development of more secured financial transactions by encryption, accurate pricing and clearing of transactions.

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Last but not least, a portion of the net proceeds to be raised from the Rights Issue is to be utilised for the repayment of the Company corporate bonds and the Directors are of the view that the reduction of debt financing for the Company will correspondingly reduce the ongoing interest expenses of the Company, which will positively influence the Group's financial position by decreasing its gearing ratio. Such intended amount, in the approximate amount of HK\$10 million, will be utilised according to the following table:

Bond reference	Principal amount <i>(HK\$)</i>	Interest <i>(HK\$)</i>	Maturity Date	Amount to be repaid in total <i>(HK\$)</i>	Remarks
1	2,000,000	65,000	01/12/2023	2,065,000	These bonds, when fall due and payable, will not be repaid by the amount assigned from the net proceeds to be raised from the Rights Issue
2	3,000,000	97,500	06/01/2024	3,097,500	
3	2,000,000	65,000	10/02/2024	2,065,000	These bonds, when fall due and payable, will be repaid by the amount assigned from the net proceeds to be raised from the Rights Issue
4	2,000,000	65,000	25/02/2024	2,065,000	
5	2,000,000	65,000	08/03/2024	2,065,000	
6	1,000,000	32,500	19/03/2024	1,032,500	
7	2,000,000	65,000	05/04/2024	2,065,000	

In the event that the net proceeds raised by the Rights Issue or Placing is less than the aforesaid estimation of approximately HK\$472.97 million, the Company will further evaluate options including, amongst others, reducing the proposed amount of the proceeds intended to be used on a pro rata basis (save and except for the repayment of the corporate bonds under item (E) of the above table, which the amount for utilisation will remain unchanged), renewing existing indebtedness or exploring other financing and/or fundraising alternatives. The Group is minded to improve its profitability and maintain stable financial position.

Unutilised Sum raised through the Convertible Bonds issued in 2017

Reference is made to the annual report of the Company for the financial year ended 31 March 2023, regarding, amongst others, the Unutilised Sum.

The Unutilised Sum, in the approximate amount of HK\$120 million, was part of net proceeds raised from the convertible bonds issued by the Company in 2017, which had the principal amount of HK\$390 million in aggregate. As at the Latest Practicable Date, the Unutilised Sum has not been utilised due to the delay caused by China Securities Regulatory Commission without providing timetable regarding its approval in connection with the application to establish a joint venture company in the PRC. To the best of the Directors'

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knowledge, information and belief after having made all reasonable enquiries, such Unutilised Sum will no longer be used for the said establishment of joint venture company in the PRC as a result of the repayment made as described below. Accordingly, the Company will liaise with the other parties to the joint venture company to withdraw the aforesaid application.

For the avoidance of doubt, conversion had not been taken place with respect to a total principal amount of HK\$207,039,000 (part of which being the Unutilised Sum) under the convertible bonds issued by the Company in 2017. As such, those convertible bonds were redeemed and repayment was made from March 2020 to July 2020 in accordance with their respective bond instruments. Therefore, the Unutilised Sum was repaid as at the Latest Practicable Date.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered various ways of raising funds and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer.

Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as it may be subject to lengthy due diligence and negotiations with financial institutions, it may as well require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future growth and development of the Group and at the same time offer the Qualifying Shareholders to maintain their respective proportional shareholdings in the Company by taking up their respective rights entitlement, especially in view of the incentive for participating in the Rights Issue and subscribing for the Rights Shares given the discount of the Subscription Price as compared to the current market price of the Shares. Furthermore, the Rights Issue, if substantiated, will be able to strengthen the financial position of the Group by raising additional funds and thereby providing a higher

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liquidity to increase the Group's operational flexibility and to sustain its capability for financing any of its potential business development opportunities upon the Group's existing businesses and/or anticipated expansion, as and when suitable opportunity arises.

Therefore, the Directors are of the view that the Rights Issue, as a fundraising method, is in the best interests of the Company and the Shareholders as a whole for the purposes of strengthening the capital base of the Company, and in turn supporting the Company's continuing development and business growth. In addition, the Company had preliminarily consulted brokerage companies (including the Placing Agent) for the Rights Issue to be conducted by an underwriter, but due to the current capital market situation, no favorable feedback is received, apart from the Placing Agent who expressed its interest in acting as a placing agent on a best effort basis. The Company considers that the placing obligation of the Placing Agent are similar to such obligation imposed upon an underwriter of the Rights Issue (except that the Placing Agent is on a best effort basis). As such, the Company subsequently decided to conduct the Rights Issue on non-underwritten basis and to adopt the Placing Arrangement simultaneously in order to ensure sufficient funds could be raised.

Having considered the other fund-raising alternatives, the costs and unfavourable feedback of underwriting services and the proposed terms of the Rights Issue and the Subscription Price, the Board considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis with the arrangements of the Placing.

Based on the above, the Board considers that raising capital through the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole. **For the avoidance of doubt, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s) (if any) should note that their shareholdings will be diluted.**

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The following are fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date:

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
7 August 2023 and 16 August 2023	Subscription of new shares (the “Subscription in August 2023”)	HK\$52,640,000.00	<p>approximately HK\$23.71 million, being approximately 45.04% of the net proceeds under the Subscription in August 2023 was intended to be utilised for the investment made on an entity in relation to blockchain technology and provision of relevant services of cryptocurrency exchange;</p> <p>approximately HK\$12.48 million, being approximately 23.71% of the net proceeds under the Subscription in August 2023 was intended to be utilised in early October 2023 for the net investment amount to be made on a banking entity which provides cryptocurrency custodian services, details of which can be referred from the announcements of the Company dated 4 September 2023 and 28 September 2023;</p>	<p>approximately HK\$11.86 million, being approximately 22.52% of the net proceeds under the Subscription in August 2023 was used as intended (<i>Note 1</i>); and the remaining approximately HK\$11.85 million, being approximately 22.52% of the net proceeds under the Subscription in August 2023 for the investment to be made on an entity in relation to blockchain technology and provision of relevant services of virtual asset management will be fully utilised prior to the end of 2023 (<i>Note 2</i>)</p> <p>fully used as intended</p>

LETTER FROM THE BOARD

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
			<p>approximately HK\$13.70 million, being approximately 26.03% of the net proceeds under the Subscription in August 2023 was intended to be utilised for the repayment of the principal amount of the corporate bonds and the interest accrued therefrom, which are becoming due and payable during the period from September 2023 to October 2023, comprised (1) approximately HK\$0.20 million for the repayment of the principal amount of the corporate bonds and the interest accrued therefrom (in the aggregate amount then outstanding being approximately HK\$0.20 million), which are becoming due and payable in September 2023; and (2) approximately HK\$13.50 million for the repayment of the principal amount of the corporate bonds and the interest accrued therefrom (in the aggregate amount outstanding being approximately HK\$13.55 million), which are becoming due and payable in October 2023; and</p>	fully used as intended
			<p>approximately HK\$2.75 million, being approximately 5.22% of the net proceeds under the Subscription in August 2023 was intended to be utilised for general working capital of the Group, including staff cost, rental expenses and other office overhead of the Group for September 2023</p>	fully used as intended

LETTER FROM THE BOARD

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	<p>approximately HK\$25.57 million, being approximately 45% of the net placing proceeds was intended to be utilised for the replenishment of the working capital of the Company for the Company's development on margin business, asset management business and money lending business, comprised (1) approximately HK\$2.00 million for financing the margin business of the Company; (2) approximately HK\$1.57 million for financing the asset management business of the Company; and (3) approximately HK\$22.00 million for financing the money lending business of the Company;</p> <p>approximately HK\$22.73 million, being approximately 40% of the net placing proceeds was intended to be utilised for financing private equity and/or securities investment opportunities in Hong Kong and the PRC, comprised (1) approximately HK\$14.50 million as the net investment amount injected in securities fund investment by means of an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands; and (2) remaining HK\$8.23 million as the net investment amount for the securities of the Stock Exchange; and</p>	<p>fully used as intended</p> <p>fully used as intended</p>

LETTER FROM THE BOARD

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
			approximately HK\$8.52 million, being approximately 15% of the net placing proceeds was intended to be utilised for general working capital of the Group, comprised (1) approximately HK\$6.10 million for the payment of salary for January 2023 to March 2023; (2) approximately HK\$1.25 million for the payment of rental expenses for January 2023 to March 2023; (3) approximately HK\$0.17 million for the payment of maintenance of IT Services for January 2023 to March 2023; and (4) approximately HK\$1.00 million for the payment of other office overhead of the Group for January 2023 to March 2023	fully used as intended

LETTER FROM THE BOARD

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
1 September 2022, 23 September 2022 and 2 June 2023	Subscription of new Shares	HK\$56,500,000.00	<p>approximately HK\$28.25 million, being approximately 50% of the net subscription proceeds was intended to be utilised for financing the private equity and/or securities investment opportunities both in Hong Kong and the PRC, comprised (1) approximately HK\$2.00 million as the net investment amount injected in securities fund investment by means of an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands; (2) approximately HK\$12.00 million as the net investment amount injected in private equity fund by means of an exempted company incorporated with limited liability registered as a segregated portfolio company under the laws of the PRC focusing on private equity/venture capital investment in Fintech, ESG sector, etc.; (3) approximately HK\$12.00 million as the net investment amount injected in private securities fund by means of an exempted company incorporated with limited liability registered as a segregated portfolio company under the laws of the PRC focusing on private company bonds and convertible bonds, etc.; and (4) approximately HK\$2.25 million as the corresponding costs and expenses incurred for financing the aforementioned investments;</p>	fully used as intended

LETTER FROM THE BOARD

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
			<p>approximately HK\$19.77 million, being approximately 35% of the net subscription Proceeds was intended to be utilised for investment in new projects, comprised (1) approximately HK\$4.00 million as the net investment amount for acquiring shares in an asset management company registered with Asset Management Association of China; (2) approximately HK\$10.00 million as the net investment amount for financing the money lending business of the Company; (3) approximately HK\$5.00 million as the net investment amount injected in securities fund investment by means of an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands; and (4) approximately HK\$0.77 million as the corresponding costs and expenses incurred for financing the aforementioned investment projects; and</p>	fully used as intended
			<p>approximately HK\$8.48 million, being approximately 15% of the net subscription proceeds was intended to be utilised for general working capital of the Group, comprised (1) approximately HK\$3.16 million for the payment of operating costs and expenses for October 2022; (2) approximately HK\$3.56 million for the payment of operating costs and expenses for November 2022; and (3) approximately HK\$1.76 million for the payment of operating costs and expenses for December 2022.</p>	fully used as intended

LETTER FROM THE BOARD

Notes:

- (1) Approximately HK\$11.86 million of the net proceeds under the Subscription in August 2023 was utilised as investment into iSunCrowd Limited, a company incorporated in Hong Kong, which is principally engaged in virtual assets related businesses.
- (2) Notwithstanding that approximately HK\$5.59 million of the net proceeds under the Subscription in August 2023 intended for the investment to be made on an entity in relation to blockchain technology and provision of relevant services of virtual asset management has not been used as at the Latest Practicable Date, the Company has undergone several rounds of substantial negotiations with the counterparty thereto in relation to such investment, and the Company expects that such investment is proposed to be entered into and completed within the forthcoming three (3) months. Therefore, such outstanding amounts would be fully utilised prior to the completion of the Rights Issue.

EFFECTS OF THE RIGHTS ISSUE ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company, assuming there is no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares pursuant to the Rights Issue, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Dr. Liu	334,547,000	21.15	1,338,188,000	21.15	334,547,000	5.29
Mr. Wang Tao	283,865,577	17.95	1,135,462,308	17.95	283,865,577	4.49
Jadehero Limited ("Jadehero") (Note 1)	80,000,000	5.06	320,000,000	5.06	80,000,000	1.26
Santo Limited ("Santo") (Note 1)	141,643,000	8.96	566,572,000	8.96	141,643,000	2.24
Independent Placees (Note 2)	–	0.00	–	0.00	4,744,684,386	75.00
Other Public Shareholders	741,505,885	46.88	2,966,023,540	46.88	741,505,885	11.72
Total (Note 3)	<u>1,581,561,462</u>	<u>100.00</u>	<u>6,326,245,848</u>	<u>100.00</u>	<u>6,326,245,848</u>	<u>100.00</u>

LETTER FROM THE BOARD

Notes:

1. 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.
2. Pursuant to the Placing Agreement, the Placing Agent shall ensure each of such Placees, who and whose ultimate beneficial owner(s) (as the case may be) (i) shall be Independent Third Parties; (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, upon completion of the Rights Issue, own 10.00% or more of the voting rights of the Company; and (iii) shall not, together with any party acting in concert with it/them (within the meaning of the Takeovers Code), will hold 30% (or such percentage which will trigger an obligation to make a mandatory general offer to the other Shareholders under the Takeovers Code) or more of the voting rights of the Company.
3. Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue. The above percentages for shareholding have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

The public float requirements under the Listing Rules shall be maintained by the Company at all times, and the Company will take all appropriate steps to ensure that sufficient public float shall be at all times in compliance with Rule 8.08 of the Listing Rules.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are traded on the Stock Exchange in board lot size of 4,000 Shares.

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 40,000 Shares with effect from 9:00 a.m. on Friday, 12 January 2024. Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, the expected value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and its Shareholders as a whole. Shareholders should take note that Shareholders’ approval is not required for the Change in Board Lot Size.

Based on the theoretical ex-rights price of approximately HK\$0.1025 per Share, the market value of each existing board lot is HK\$410 and the estimated market value of each proposed new board lot is HK\$4,100.

LETTER FROM THE BOARD

To alleviate the difficulties in trading odd lots of the Shares arising from the Change in Board Lot Size, the Company has appointed the Placing Agent (an indirect wholly-owned subsidiary of the Company) as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 12 January 2024 to 4:00 p.m. on Thursday, 1 February 2024 (both dates inclusive).

Shareholders who wish to take advantage of this service should contact Mr. Dong Chang of Fortune (HK) Securities Limited at Units No. 4102-06, 41/F COSCO Tower, 183 Queen's Road Central, Hong Kong or at telephone number 3189 2170 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement.

All existing share certificates in board lot of 4,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 4,000 Shares to new share certificate in board lot size of 40,000 Shares is necessary.

As at the Latest Practicable Date, save as disclosed in this Prospectus, the Company (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process, made orally or in writing) on any potential further fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any other corporate actions in the next twelve (12) months which may have an effect of undermining or negating the intended purpose of the Change in Board Lot Size. However, in the event there is any change to the business environment and/or financial position of the Company due to unforeseeable circumstances, and the Company is required to conduct further fundraising exercises when suitable opportunities arise in order to support future growth and development of the Group, the Company will publish further announcement(s) as and when appropriate in accordance with Listing Rules.

LISTING RULES IMPLICATIONS

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

LETTER FROM THE BOARD

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as those terms are defined under Rule 7.27B of the Listing Rules) for the Rights Issue are approximately HK\$0.1039 per Share, HK\$0.1154 per Share and approximately 9.97%, respectively. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

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

The Rights Issue is subject to the fulfilment of conditions including, amongst 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 section headed “Conditions of the Rights Issue” in this Prospectus. 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 be placed to independent Placées under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements 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.

Any dealings in the Shares from the Latest Practicable Date up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for (i) each of the three financial years ended 31 March 2021, 2022 and 2023 were disclosed in the annual reports of the Company for the years ended 31 March 2021 (pages 108 to 252), 2022 (pages 126 to 272) and 2023 (pages 148 to 288) respectively; and the financial information of the Group for the 6-month ended 30 September 2023 was disclosed in the interim report of the Company for the 6-month period ended 30 September 2023 (pages 7 to 45). The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<https://290.com.hk>). Please refer to the hyperlinks as stated below:

Annual Report for the year ended 31 March 2021:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0729/2021072900362.pdf>

Annual Report for the year ended 31 March 2022:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800393.pdf>

Annual Report for the year ended 31 March 2023:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800442.pdf>

Interim Report for the six months ended 30 September 2023:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1213/2023121300250.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business of 30 November 2023, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the printing of this prospectus, the Group had unsecured and unguaranteed corporate bonds and lease liabilities of approximately HK\$14,219,000 and HK\$853,000 respectively.

Save as disclosed above and for intra-group liabilities, the Group did not have any debt securities authorized or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 30 November 2023.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the twelve (12) months from the date of this Prospectus in the absence of any unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company whereas the Group is a cross-border, cross-industry financial technology investment platform based in Hong Kong, backed by the Greater Bay Area, and focused on the international market. The Company has wholly-owned subsidiaries being corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The current business of the Group includes investment banking, securities brokerage, asset management, margin financing, insurance brokerage, money lending, debt investment and equity investment. The Group is deeply rooted in the local market of Hong Kong, with a strong presence in the financial services sector. It strategically invests in the financial technology industry, actively responding to the Hong Kong government's digital economic development strategy. By embracing the theme of technological innovation, the Company drives its development through innovation, contributing to Hong Kong's position as an international financial center and accelerating the growth of the Web 3.0 ecosystem.

With the COVID-19 pandemic coming to an end and its relevant restrictive measures being lifted, the capital markets are experiencing gradual recovery globally, and the sentiment for investment into capital markets are experiencing an upturn. Accordingly, the Board has reassessed the prevailing market conditions and is of the view that it shall adopt a cautious and proactive attitude in its investment strategies and in seeking potential business opportunities with the capital markets as the momentum is regained on back of the revival in the global economy.

In addition, the Group's investment strategies will explore more diversified investment opportunities with various industries, especially with financial technology industry in light of the growing acknowledgment in Hong Kong regarding virtual assets. Owing to the thriving development with respect to innovative technology-related businesses such as those connected to blockchain-based technology application and development, it is reasonably anticipated that expansion towards such aspects of businesses will not only represent a diversification of the Group's business, but also an opportunity to promote its profitability.

It has always been the Group's goal to implement an efficient and compliant internal control, pragmatically deploy its investment strategies, and strengthen its financial situation in order to bring favorable return to the Group and the Shareholders as a whole.

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the rights issue on the consolidated net tangible assets of the Group as if the rights issue had taken place on 30 September 2023.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the rights issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 September 2023, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 <i>(Note 1)</i> <i>HK\$'000</i>	Estimated net proceeds from the rights issue <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2023 <i>HK\$'000</i>
318,192	472,970	791,162
Unaudited consolidated net tangible asset per existing share before completion of the Rights Issue <i>(Note 3)</i>		<u>HK\$0.20</u>
Unaudited pro forma adjusted consolidated net tangible assets per share immediately after completion of the Rights Issue <i>(Note 4)</i>		<u>HK\$0.13</u>

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 is extracted from the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$324,802,000 as adjusted by exclusion of club membership of approximately HK\$6,610,000 included in other non-current assets as shown on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2023.
2. The estimated net proceeds from the Rights Issue of approximately HK\$472,970,000 are based on the 4,744,684,386 Rights Shares to be issued at the subscription price of HK\$0.1 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,498,000, assuming that the Rights Issue had been completed on 30 September 2023.
3. The calculation is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$318,192,000 divided by the number of shares in issue of 1,581,561,462 as at 30 September 2023 and immediately before completion of the Rights Issue.
4. The calculation is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2023 of approximately HK\$791,162,000 divided by total number of 6,326,245,848 shares as enlarged by the issue of the Rights Shares, which is arrived at on the basis that 1,581,561,462 shares in issue as at 30 September 2023 and 4,744,684,386 Rights Shares to be issued upon completion of the Rights Issue, as if the Rights Issue had been completed on 30 September 2023.

**B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.

**ZHONGHUI ANDA CPA Limited***Certified Public Accountants*

12 January 2024

The Board of Directors
GoFintech Innovation Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of GoFintech Innovation Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 30 September 2023 as set out on pages II-1 to II-2 of the prospectus (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group’s consolidated net tangible assets as at 30 September 2023 as if the transaction had been taken place at 30 September 2023. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2023, on which a review report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2023 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for and benefits of the Rights Issue and use of proceeds" set out on pages 30 to 43 of the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Yeung Hong Chun

Practising Certificate Number P07374

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (A) as at the Latest Practicable Date; and (B) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Rights Issue and full acceptance by the Qualifying Shareholders) are as follows:

(A) As at the Latest Practicable Date:

<i>Authorised:</i>	<i>HK\$</i>
20,000,000,000 Shares of HK\$0.10 each	2,000,000,000.0
<i>Issued and fully paid:</i>	
1,581,561,462 Shares of HK\$0.10 each	158,156,146.2

(B) Immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Rights Issue and full acceptance by the Qualifying Shareholders):

<i>Authorised:</i>	<i>HK\$</i>
20,000,000,000 Shares of HK\$0.10 each	2,000,000,000.0
<i>Issued and fully paid:</i>	
1,581,561,462 Shares of HK\$0.10 each	158,156,146.2
4,744,684,386 Rights Shares to be issued pursuant to the Rights Issue of HK\$0.10 each	474,468,438.6
6,326,245,848 Issued Shares immediately upon completion of the Rights Issue	632,624,584.8

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

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The Rights Shares to be issued will be listed on the Stock Exchange. No Share or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. The Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert or exchange into the Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

3. 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:

(i) Long positions in Shares

Name of Director	Type of interests	Number of Shares	Approximate percentage of the issued share capital of the Company <i>(note 1)</i>
LIU Zhiwei	Beneficial owner	334,547,000	21.15%

Note:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,581,561,462 Shares as at the Latest Practicable Date.

(ii) Long positions in underlying Shares of the Company

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:

(i) Long positions in Shares

Name of Shareholders	Capacity	Number of Shares/ underlying shares held	Approximate percentage of interests in issue
Mr. Wang Tao	Beneficial owner	283,865,577	17.95%
Jadehero Limited ("Jadehero") (Note)	Beneficial owner	80,000,000	5.06%
Southlead Limited ("Southlead")	Interest of controlled corporation	80,000,000	5.06%
Santo Limited ("Santo") (Note)	Beneficial owner	141,643,000	8.96%
WHOLE ADVANCE LIMITED ("Whole Advance") (Note)	Interest of controlled corporation	221,643,000	14.01%
Liberal Expansion Limited ("Liberal Expansion") (Note)	Interest of controlled corporation	221,643,000	14.01%
Mr. ZHAO Xu Guang ("Mr. Zhao") (Note)	Interest of controlled corporation	221,643,000	14.01%

Note: 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.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholder of the Company nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed pursuant to the Listing Rules.

5. 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 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. 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.

7. 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.

8. 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.

9. MATERIAL CONTRACTS

The following material contract(s) (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of the Announcement in relation to, amongst other things, the Rights Issue, and up to the Latest Practicable Date and is or may be material:

- (a) subscription agreements dated 1 September 2022 entered into between the Company and six subscribers in respect of the subscription of an aggregate of 183,000,000 subscription shares at the subscription price of HK\$0.31 per subscription share respectively;
- (b) placing agreement dated 28 December 2022 entered into between the Company and Fortune (HK) Securities Limited as the placing agent in respect of the placing of 219,661,577 placing shares at the placing price of HK\$0.26 per placing share;
- (c) subscription agreement dated 7 August 2023 entered into between the Company and Mr. Wang Tao as the subscriber in respect of the subscription of 263,593,577 subscription shares at the subscription price of HK\$0.20 per subscription share; and
- (d) the Placing Agreement.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	<i>Executive Directors</i> Dr. LIU Zhiwei (<i>Chairman</i>) Mr. HUA Yang (<i>Chief Executive Officer</i>) Ms. SUN Qing
		<i>Non-executive Directors</i> Mr. HAN Hanting Dr. NIE Riming
		<i>Independent non-executive Directors</i> Mr. CHAN Kin Sang Mr. CHIU Kung Chik Mr. LI Gaofeng Ms. LUI Mei Ka
Registered Office	:	P.O. Box 309, Ugland House Grand Cayman KY1-1104 Cayman Islands
Principal place of business in Hong Kong	:	Units No. 4102-06, 41/F COSCO Tower 183 Queen's Road Central, Hong Kong
Authorised Representatives	:	Dr. LIU Zhiwei Ms. LAM Wing Chi
Company Secretary	:	Ms. LAM Wing Chi
Placing Agent to the Company	:	Fortune (HK) Securities Limited Units No. 4102-06, 41/F COSCO Tower 183 Queen's Road Central, Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue	:	Patrick Mak & Tse Rooms 901-905, 9/F, Wing On Centre 111 Connaught Road Central Hong Kong

Reporting accountant	:	ZHONGHUI ANDA CPA Limited <i>Certified Public Accountants</i> 23/F, Tower 2, Enterprise Square Five 38 Wang Chiu Road, Kowloon Bay, Kowloon Hong Kong
Principal bankers	:	Chong Hing Bank Limited China Construction Bank (Asia) Corporation Limited Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch China Guangfa Bank Co., Ltd., Hong Kong Branch The Bank of East Asia, Limited
Principal share registrar and transfer office in the Cayman Islands	:	SUNTERA (CAYMAN) LIMITED Suite 3204, Unit 2A, Block 3 Building D, P.O. Box 1586 Gardenia Court, Camana Bay Grand Cayman, KY1-1100 Cayman Islands
Branch share registrar and transfer office in Hong Kong	:	Union Registrars Limited Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point Hong Kong

11. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Dr. LIU Zhiwei (“Dr. Liu”), aged 55, was appointed as an executive Director, the Chairman, a member of the Remuneration Committee and the chairman of the Nomination Committee in August 2022. He is also a director of certain subsidiaries of the Group. Dr. Liu obtained a bachelor’s degree in Industrial Management Engineering from Zhe Jiang University in 1989. He furthered his studies in Graduate School of the People’s Bank of China between 1989 and 1992 and obtained his master’s degree in international finance. In 2007, he obtained a doctoral degree in Economics & Law from Hunan University. Dr. Liu completed a professional course for Financial CEO at Cheung Kong Graduate School of Business in 2010 and further completed the China CEO Global Studies Program at Shanghai Jiaotong University in 2016.

Dr. Liu has over 20 years of experience in financing, securities investment and capital market. He is currently an executive director and chairman of the board of directors of Wealthking Investments Limited (“**Wealthking Investment**”, listed on the main board of the Stock Exchange, stock code: 1140). He is also the chairman of the supervisory committee of Purekind Fund Management Co., Ltd. Dr. Liu was the chief executive officer of Wealthking Investment from December 2021 to March 2022 and from April 2019 to December 2020 respectively. From June 2016 to June 2018, he was an executive director and the president of Wealthking Investment. From December 2015 to June 2016, he was a non-executive director of Wealthking Investment.

Dr. Liu served as a non-executive director of Shanghai Zendai Property Limited (listed on the main board of the Stock Exchange, stock code: 755) from February 2010 to December 2012 and was the vice chairman of Chang’an International Trust Co., Ltd (formerly known as Xi’an International Trust Co., Ltd) from November 2008 to April 2011. He was a supervisor of Bohai Leasing Co., Ltd. (“**Bohai**”, formerly known as Xin Jiang Hui-tong (Group) Co., Ltd, listed on the Shenzhen Stock Exchange) from December 2005 to December 2008 and the chairman of the board of directors and general manager of Bohai from September 1998 to January 2001. He also served as a general manager of the merger and acquisition department of Guosen Securities Co., Ltd (listed on the Shenzhen Stock Exchange) from July 1997 to August 1998 and a general manager of the investment banking department of China Great Wall Securities Co., Ltd (listed on the Shenzhen Stock Exchange) from July 1995 to June 1997.

Mr. HUA Yang (“Mr. Hua”), aged 47, was appointed as an executive Director, a member of each of the Nomination Committee and the Remuneration Committee in March 2023. He was appointed as the Chief Executive Officer of the Company in January 2023. He has extensive experience in assets management, equity investment, insurance, and business administration. He is a cofounder and a partner of Source Capital Management Co., Ltd. (合源資本管理有限公司), the first insurance-company-backed private equity investment fund approved by the China Insurance Regulatory Commission, from March 2015 to June 2022.

Mr. Hua joined the Group in October 2017 as a non-executive Director and was redesignated as an executive Director and was the Chief Executive Officer of the Company between March 2018 to April 2020. Mr. Hua was a managing director of a subsidiary of the Group from April 2020 to 31 January 2023. Prior to joining the Group, Mr. Hua was the general manager of Sun Life Everbright Asset Management Co., Ltd. from March 2012 to March 2015. During the period from 1997 to 2012, he had held various senior positions with insurance and securities companies and had completed various initial public offering projects and share placing projects, as well as corporate bonds issuance for a number of companies, etc.

Mr. Hua graduated with a bachelor’s degree in economics and management from Beijing Forestry University in 1997. He also obtained an executive master of business administration degree (EMBA) from Cheung Kong Graduate School of Business in 2005.

Ms. SUN Qing (“Ms. Sun”), aged 62, was appointed as an executive Director in April 2020. She joined the Group in August 2019 and is responsible for human resources and administrative management of the Group. She is also a director of certain subsidiaries of the Group. Ms. Sun graduated from Beijing Correspondence College of Finance and Commerce in 1988 majoring in industrial accounting. Ms. Sun also obtained the accountant qualification awarded by the Ministry of Finance of the PRC in 1994.

Prior to joining the Group, Ms. Sun worked in Everbright Securities Company Limited (listed on both the main board of the Stock Exchange and the Shanghai Stock Exchange) for nearly 20 years, mainly responsible for the company’s finance, human resources and comprehensive back office management. She has over 20 years of working experience in the financial industry and has extensive experience in various management tasks such as finance, auditing and human resources.

Ms. Sun was a non-executive director of IBO Technology Company Limited (listed on the main board of the Stock Exchange, stock code: 2708) from July 2020 to February 2021.

Non-executive Directors

Mr. HAN Hanting (“Mr. Han”), aged 38, was appointed as an executive Director and a member of the Nomination Committee in October 2017. He was re-designated as a non-executive Director and ceased to be a member of the Nomination Committee in September 2018. Mr. Han joined the Company in 2015 and was the chief operating officer of the Company from November 2016 to September 2018. Mr. Han was an investment manager of a wholly-owned subsidiary of the Group during the period from 2009 to 2013. Mr. Han obtained a bachelor’s degree from University of Warwick majoring in Mathematics, Operational Research, Statistics and Economics in 2006.

Prior to joining the Group, Mr. Han had worked as a researcher in CCB International Securities Limited. During the period from May 2013 to May 2016, he was an executive director of Momentum Financial Holdings Limited (formerly known as Infinity Financial Group (Holdings) Limited, listed on the main board of the Stock Exchange). Mr. Han has more than 10 years of experience in investment banking industry and had successfully led merger and acquisition projects for a number of Hong Kong listed companies.

Dr. NIE Riming (“Dr. Nie”), aged 42, was appointed as a non-executive Director in October 2023. Dr. Nie graduated from Zhejiang University in 2005 with a bachelor’s degree in Engineering. Dr. Nie further obtained a master’s degree in Business Administration from Fudan University in 2014 and a Ph.D. in Economics from Fudan University in 2021. Dr. Nie is currently the vice president and a researcher at the Shanghai Institute of Finance and Law. He was also a visiting senior research assistant of Hong Kong Baptist University (School of Business) in March 2013.

Dr. Nie has over 15 years of experience in finance and economics. Since November 2018, Dr. Nie has served as a director of Purekind Fund Management Co., Ltd. From December 2015 to October 2016, Dr. Nie was a supervisor of Bestone Asset Management Corporation Limited.

Independent non-executive Directors

Mr. CHAN Kin Sang (“Mr. Chan”), aged 71, was appointed as an independent non-executive Director and a member of the audit committee of the Company (the “**Audit Committee**”) in July 2014. He was further appointed as a member of each of the Nomination Committee and the Remuneration Committee in December 2022. Mr. Chan is currently a partner of Kwan & Chow, Solicitors (a law firm which provides various services including corporate matters and litigations). Mr. Chan obtained a bachelor’s degree in Laws from the University of Hong Kong in 1979 and a postgraduate certificate in Laws from the University of Hong Kong in 1980. He has been a practising solicitor in Hong Kong since April 1982 and has been admitted as a Notary Public since April 1997 and a China-appointed Attesting Officer since January 2000. Mr. Chan has also been a Fellow of The Hong Kong Institute of Directors since August 2004.

Mr. Chan is currently a non-executive director of Sino Harbour Holdings Group Limited (listed on the main board of the Stock Exchange, stock code: 1663). He is also an independent non-executive director of Huakang Biomedical Holdings Company Limited (listed on the GEM of the Stock Exchange, stock code: 8622) and Pak Tak International Limited (listed on the main board of the Stock Exchange, stock code: 2668).

Mr. Chan has served as a senior partner of Messrs. Peter K.S. Chan & Co., Solicitors and Notaries. Over the past three years, Mr. Chan was the chairman of the Appeal Tribunal (Buildings Ordinance Cap.123) from February 2007 to November 2021. He was a director of Guanghe Landscape Culture Communication Co., Ltd., Shanxi (listed on the Shanghai Stock Exchange) from June 2016 to October 2020 and was a nonexecutive director of Pan Hong Holdings Group Limited (listed on the Singapore Exchange) from August 2006 to March 2020. He was also an independent non-executive director of Luxking Group Holdings Limited (listed on the Singapore Exchange) from June 2005 to October 2019.

Mr. CHIU Kung Chik (“Mr. Chiu”), aged 38, was appointed as an independent non-executive Director in March 2017. He was re-designated from a member of the Audit Committee to the chairman of the Audit Committee in March 2020. He is also the chairman of the Remuneration Committee and a member of the Nomination Committee. Mr. Chiu graduated from the University of Chicago with a bachelor’s degree in Economics. He has extensive experience and knowledge in investment banking, capital financing, corporate restructuring, merger and acquisition, complex transaction structuring, etc.

Mr. Chiu currently serves as an independent non-executive director of Shandong Hi-Speed New Energy Group Limited (formerly known as Beijing Enterprises Clean Energy Group Limited, listed on the main board of the Stock Exchange, stock code: 1250). He is also a non-executive director of Link Holdings Limited (listed on the GEM of the Stock Exchange, stock code: 8237).

From 2008 to 2015, Mr. Chiu worked with UBS AG in the investment banking department in its Hong Kong office, primarily focusing on advising large scale corporate clients on their capital market activities. During the aforesaid period, he had completed a number of high-profile capital market transactions, merger and acquisition transactions as well as debt financing transactions.

Mr. LI Gaofeng (“Mr. Li”), aged 49, was appointed as an independent nonexecutive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee in October 2017. Mr. Li graduated from Henan Institute of Finance and Economics with a bachelor’s degree in Economics majoring in Investment Management in 1995. He further obtained a master’s degree in Economics majoring in International Finance from Tianjin University of Finance and Economics in 1998. Mr. Li is a nonpracticing member of the Chinese Institute of Certified Public Accountants.

Mr. Li has worked in the insurance and securities sectors for many years and has rich experience in finance, investment and investor relations. He worked for Sun Life Everbright Life Insurance Co., Ltd. for several years and served as the deputy general manager, chief financial officer and chief investment officer. He also held senior management positions with the financial institutes such as securities companies and mutual funds in the PRC.

Ms. LUI Mei Ka (“Ms. Lui”), aged 38, was appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2023. Ms. Lui graduated from The Chinese University of Hong Kong with a degree in bachelor of business administration in 2006 and is currently a member of the Hong Kong Institute of Certified Public Accountants.

Since 27 September 2018, Ms. Lui has been the chief financial officer and a joint company secretary of Feiyu Technology International Company Limited (stock code: 1022, a company listed on the main board of the Stock Exchange). Since 21 April 2017, Ms. Lui has also been an independent non-executive director of China Tangshang Holdings Limited (stock code: 674, a company listed on the main board of the Stock Exchange).

Ms. Lui has over 16 years of experience in financial management and corporate finance. From October 2016 to July 2018, she was the chief financial officer and company secretary of GR Properties Limited (stock code: 108, a company listed on the main board of the Stock Exchange) and which is engaged in property development and investment. From March 2014 to May 2016, she was the company secretary and financial controller of LT Commercial Real Estate Limited, a company previously listed on the Main Board of the Stock Exchange under the stock code 112, which was engaged in property development and investment. Prior to that, Ms. Lui had about seven years of experience in auditing and accounting at Deloitte Touche Tohmatsu from September 2006 to August 2013.

12. EXPERT AND CONSENT

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

Name	Qualification
ZHONGHUI ANDA CPA Limited (“ZHCPA”)	Certified Public Accountant

As at the Latest Practicable Date, ZHCPA has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and/or references to its name in the form and context in which they are included.

As at the Latest Practicable Date, ZHCPA 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 date to which the latest published audited consolidated financial statements of the Group were made up (i.e. 31 March 2023), 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.

13. EXPENSES

The expenses in connection with the Rights Issue and the Placing Arrangement, including professional fees, printing, registration, translation, legal and accounting charges are estimated to be approximately HK\$1.50 million, which are payable by the Company.

14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised four independent non-executive Directors, namely, Mr. CHAN Kin Sang, Mr. CHIU Kung Chik, Mr. LI Gaofeng and Ms. LUI Mei Ka. The Audit Committee is chaired by Mr. CHIU Kung Chik. The Audit Committee is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

15. MISCELLANEOUS

- (a) 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.
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (d) The business address of all Directors and authorised representatives of the Company is Units No. 4102-06, 41/F COSCO Tower, 183 Queen’s Road Central, Hong Kong.
- (e) The English text of this Prospectus shall prevail over their respective Chinese text in case of inconsistency.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “12. Expert and Consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

17. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

18. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://290.com.hk/>) for 14 days from the date of this Prospectus:

- (a) the annual reports of the Company for the three years ended 31 March 2021, 2022 and 2023, respectively, and the interim report of the Company for the 6-month period ended 30 September 2023;
- (b) the letter from the Board, the text of which is set out on pages 7 to 53 of this Prospectus;
- (c) the independent reporting accountants’ assurance report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (d) the material contracts referred to in the paragraph headed “9. Material Contracts” in this appendix; and
- (e) the written consents referred to in the paragraph headed “12. Experts and consents” in this appendix.