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## **MOG DIGITECH HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1942)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**KGI Asia Limited**

#### **THE PLACING**

The Board announces that after trading hours on 24 January 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 129,366,561 Placing Shares to not less than six Placees at the Placing Price of HK\$1.14 per Placing Share on a best effort basis.

The Placing Shares will be allotted and issued by the Company to the Placee(s) under the General Mandate.

As at the date of this announcement, the Company has 646,832,805 Shares in issue. Assuming that there will be no other change in the total issued share capital of the Company between the date of this announcement and the Completion Date and all the 129,366,561 Placing Shares are successfully placed, the Placing Shares represent (i) 20% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the Completion.

Assuming all the 129,366,561 Placing Shares are successfully placed, the gross proceeds from the Placing amount to approximately HK\$147.48 million, while the net proceeds from the Placing are estimated to be approximately HK\$145.94 million after deducting the estimated expenses for the Placing. The Company intends to apply the net proceeds for the repayment of part of the Group's current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any investment opportunities in digital payment solutions related business as identified by the Group from time to time.

## **GENERAL**

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

**As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” in this announcement, the Placing may or may not proceed. The Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **THE PLACING**

The Board announces that, on 24 January 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 129,366,561 Placing Shares to not less than six Placees at the Placing Price of HK\$1.14 per Placing Share on a best effort basis.

### **The Placing Agreement**

Principal terms and conditions of the Placing Agreement are summarised as follows:

- Date:** 24 January 2024
- Parties:** (i) the Company; and  
(ii) the Placing Agent.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owner(s) is an Independent Third Party.

### **The Placing Agent**

The Company appoints the Placing Agent to the exclusion of all others as its sole placing agent of the Placing, up and subject to the terms and conditions of the Placing Agreement, and the Placing Agent, agrees to act as the Company’s placing agent to procure the Placees to subscribe, at the Placing Price for the Placing Shares on a best effort basis on and subject to the terms and conditions set out in the Placing Agreement.

### **Placees**

Subject to the terms set out in the Placing Agreement, the Placing Agent shall procure not less than six (6) Placees on a best effort basis for the subscription of the Placing Shares at the Placing Price unless other agreed by the Company.

The Placing Agent will use its reasonable endeavours to ensure that the Placee(s) (and where applicable, their ultimate beneficial owners) to be procured by or on behalf of the Placing Agent shall be independent of, and not connected with or acting in concert with, the Company, its connected persons, including the substantial Shareholders and Directors and any of their respective associates.

### **Number of the Placing Shares**

Assuming that there will be no other change in the total issued share capital of the Company between the date of this announcement and the Completion Date and all the 129,366,561 Placing Shares are successfully placed, the Placing Shares represent (i) 20% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the Completion.

The aggregate nominal value of all the Placing Shares will be HK\$1,293,665.61.

### **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued by the Company to the Placee(s) under the General Mandate, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 129,366,561 Shares, representing 20% of the total number of issued Shares as at the annual general meeting of the Company held on 23 May 2023 approving, among other matters, the granting of the General Mandate.

As at the date of this announcement, no part of the General Mandate has been utilized by the Company. Accordingly, the Placing is not subject to the approval of the Shareholders.

### **Ranking of the Placing Shares**

The Placing Shares under the Placing will rank, upon issue, equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$1.14 per Placing Share represents:

- (a) a discount of approximately 19.15% to the closing price of HK\$1.41 per Share quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 17.03% to the average closing price of HK\$1.374 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the prevailing market price and the recent trading volume of the Shares.

Taking into account the estimated expenses for the Placing of approximately HK\$1.54 million, comprising fees, costs, charges and expenses of the Placing and assuming that all the 129,366,561 Placing Shares could be placed successfully, the net price of each Placing Share amounts to approximately HK\$1.13 per Placing Share.

### **Commission**

In consideration of the services of the Placing Agent in relation to the Placing and provided that the Completion occurs, the Company shall pay to the Placing Agent a commission of 1% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in pursuance of its obligations therein, which the Placing Agent is thereby authorised to deduct from the payment to be made by it to the Company at the Completion.

Assuming all the 129,366,561 Placing Shares have been placed, the maximum commission payable by the Company to the Placing Agent shall be approximately HK\$1.47 million.

The placing commission under the Placing Agreement was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

### **Conditions Precedent**

The Completion is conditional upon the fulfilment of the following conditions:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked;
- (b) all necessary consents and approvals to be obtained on the part of the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained;
- (c) there shall not have occurred any material breach or any event which renders any of the representations, warranties or undertakings by the Company under the Placing Agreement untrue, inaccurate or misleading;
- (d) any other all necessary consents, approvals and/or waiver(s) to be obtained on the part of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained; and
- (e) the Placing Agreement not being terminated by the Placing Agent in accordance with its terms.

The Company shall use its best endeavours to procure the satisfaction of the Conditions Precedent on or before the Long Stop Date, but if any of the conditions shall not be so satisfied, all rights, obligations and liabilities of the Placing Agent and of the Company thereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto (save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities under the terms of the Placing Agreement).

### **Completion**

Subject to the fulfilment of all the Conditions Precedent, Completion shall take place on a date falling within five Business Days after the fulfilment of all the Conditions Precedent or such other date as the Company and the Placing Agent may agree in writing.

### **Termination**

Notwithstanding anything contained in the Placing Agreement to the contrary, the Placing Agent may, in its reasonable opinion, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) there is any suspension of dealings in the Shares on the Stock Exchange for more than ten consecutive Business Days (other than as a result of or in connection with the Placing); or
- (5) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group taken as a whole and which would materially prejudice the success of the Placing.

Upon termination of the Placing Agreement pursuant, all rights, obligations and liabilities of the parties thereto thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities under the terms of the Placing Agreement.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in (i) digital payment solutions-related business; (ii) sales of optical products; and (iii) franchise and license management.

## **INFORMATION ON THE PLACING AGENT**

The Placing Agent is duly incorporated in Hong Kong and a licensed corporation (CE No.: BKJ214) to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

Assuming all the 129,366,561 Placing Shares are successfully placed, the gross proceeds from the Placing amount to approximately HK\$147.48 million, while the net proceeds from the Placing are estimated to be approximately HK\$145.94 million after deducting the estimated expenses for the Placing. The Company intends to apply the net proceeds for the repayment of part of the Group's current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any investment opportunities in digital payment solutions related business as identified by the Group from time to time.

The outbreak of the novel coronavirus has had a considerable impact on the economy and business sentiment. Many companies are facing a revenue decrease, which is causing liquidity problems, particularly for small and medium-sized businesses that are struggling to secure commercial bank loans. This situation presents potential opportunities for the Group's digital hardware and software trade financing services business, as banks have become more conservative in their lending practices due to the worsening economic environment.

The Company's management will closely monitor changes in its current business and assess whether additional capital is required from time to time. While the company is cautiously optimistic about the prospects of its trade financing services business, it is the responsibility of the Group's management to plan ahead to ensure that promising business opportunities are not missed. Therefore, the Directors believe that despite the current cash resources available to the Group, it would be beneficial to raise additional funds to pay off some of its existing debts in a timely manner and provide working capital to support the expansion of its existing business.

After considering (i) the funding needs of the Company to meet the future expenditure of the Group, (ii) the benefits of increasing the working capital and strengthening the financial position of the Group without increasing its financing costs, and (iii) the possibility of lowering the net liabilities of the Group, the Directors determined that the potential dilution impact was justified. Accordingly, in the interests of the Company and the Shareholders as a whole, the Directors concluded that the Placing is fair and reasonable.

## EFFECTS OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 646,832,805 Shares in issue. The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date):

	<b>As at the date of this announcement</b>		<b>Immediately after Completion</b>	
	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>
The Placees	–	–	129,366,561	16.67
Public Shareholders	<u>646,832,805</u>	<u>100.00</u>	<u>646,832,805</u>	<u>83.33</u>
<b>Total</b>	<b><u>646,832,805</u></b>	<b><u>100.00</u></b>	<b><u>776,199,366</u></b>	<b><u>100.00</u></b>

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activities in the past twelve months immediately prior to the date of this announcement.

## GENERAL

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

**As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” in this announcement, the Placing may or may not proceed. The Shareholders and potential investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Codes
“Board”	the board of Director(s)
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
“Company”	MOG Digitech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on Main Board of the Stock Exchange (with stock code: 1942)
“Completion”	actual completion of the Placing in accordance with the Placing Agreement
“Completion Date”	a date falling within five Business Days after the fulfilment of all the Conditions Precedent or such other date as the Company and the Placing Agent may agree in writing
“Conditions Precedent”	condition(s) precedent to Completion as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and otherwise deal with up to 129,366,561 Shares, representing 20% of the total number of the issued Shares as at the annual general meeting of the Company held on 23 May 2023
“Group”	the Company and its subsidiaries



“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of their respective connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	8 February 2024 (or such other date as the Company and the Placing Agent may mutually agree in writing)
“Placee(s)”	independent institutional, corporate or individual investor(s) which the Placing Agent will procure on a best effort basis to purchase the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of the Placing Shares by the Placing Agent in accordance with the terms of the Placing Agreement
“Placing Agent”	KGI Asia Limited, a licensed corporation (CE No.: BKJ214) to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	placing agreement dated 24 January 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.14 per Placing Share (exclusive of any brokerage fee, SFC transaction levy, Stock Exchange trading fee and such other fee and levy as may be payable by the Placee(s) in respect of the subscription of the Placing Shares)
“Placing Share(s)”	a maximum of 129,366,561 Shares to be issued and allocated to the Placees by the Company through the Placing
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buybacks issued by the SFC as may be amended and supplemented from time to time
“%”	per cent.

By Order of the Board  
**MOG Digitech Holdings Limited**  
**Zhou Yue**  
*Executive Director*

Hong Kong, 24 January 2024

*As at the date of this announcement, the Company has three executive Directors, namely Mr. Deng Zhihua (Chairman), Ms. Tang Tsz Yuet and Mr. Zhou Yue, and three independent non-executive Directors, namely Mr. Yau Tung Shing, Ms. Jiao Jie and Mr. Gao Hongxiang.*