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Infinites Technology International (Cayman) Holding Limited

多牛科技國際(開曼)集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1961)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Financial Adviser and Placing Agent to the Company



On 26 January 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company appointed the Placing Agent to place, on a best-efforts basis and subject to the fulfilment of the conditions precedent to the Placing, a maximum of 50,700,000 Placing Shares to not less than six independent Placers at a price of HK\$1.775 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM.

The Placing Price of HK\$1.775 per Placing Share represents: (i) a premium of approximately 28.6% over the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 29.0% to the average closing price of approximately HK\$1.376 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming the Placing Shares are fully placed, the maximum number of 50,700,000 Placing Shares represents 8.05% of the issued share capital of the Company of 629,887,174 Shares as at the date of this announcement, and approximately 7.45% of the issued share capital of the Company as enlarged by the issue of the maximum number of Placing Shares.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$90.0 million and HK\$87.5 million, respectively. The Company intends to use such net proceeds (i) the business operation and general working capital of the Group, (ii) further research and development for the gaming products and artificial intelligence products, and (iii) strengthen and diversify the gaming sector for the Group.

The Placing is subject to the fulfilment of the conditions precedent under the Placing Agreement and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

On 26 January 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, the principal terms of which are summarised below:

Date

26 January 2024 (after trading hours)

Parties

(a) the Company; and

(b) the Placing Agent.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Placees

It is intended that the Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

The Company appointed the Placing Agent to place, on a best-efforts basis and subject to the fulfilment of the conditions precedent to the Placing, a maximum of 50,700,000 Placing Shares. Assuming the Placing Shares are fully placed, the maximum number of 50,700,000 Placing Shares represents 8.05% of the issued share capital of the Company of 629,887,174 Shares as at the date of this announcement, and approximately 7.45% of the issued share capital of the Company as enlarged by the issue of the maximum number of Placing Shares. The aggregate nominal value of the maximum number of Placing Shares is HK\$507,000.

Placing Price

The Placing Price of HK\$1.775 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to the recent trading price of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Placing Price of HK\$1.775 per Placing Share represents: (i) a premium of approximately 28.6% over the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 29.0% to the average closing price of approximately HK\$1.376 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

Subject to Completion, the Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market rate.

Condition of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of and permission to deal in the Placing Shares, either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent; and
- (ii) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect.

If the above conditions are not fulfilled on or before 16 February 2024 (or such later date as may be agreed between the Placing Agent and the Company) (the "**Long Stop Date**"), the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breaches of the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place not later than four business days after the fulfilment of all the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

Termination

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 12:00 noon on the Completion Date:

- (i) there shall have been, since the date of the Placing Agreement, such a change in national or national financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
- (ii) any material breach of any of the representations and warranties set out in the Placing Agreement 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 Completion Date 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 provisions of the Placing Agreement; or
- (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the Completion Date. In the event the Placing Agent terminates the Placing Agreement pursuant to the aforesaid clauses (i) to (iii), all obligations of each of the parties to the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Application for listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

GENERAL MANDATE

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the AGM. Pursuant to the General Mandate, the Company was authorized to issue and allot up to 122,597,434 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution. As at the date of this announcement, 16,900,000 Shares have been issued under the General Mandate pursuant to the placing completed on 18 December 2023, and the remaining number of Shares under the General Mandate is sufficient for the allotment and issue of all the Placing Shares. Therefore the Placing will not be subject to any further Shareholders approval. The General Mandate will be utilized as to approximately 55.1% upon the allotment and issue of all the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in mobile games development and digital media operation business. The mobile game business mainly includes the development and operation of all kinds of mobile games, and its products mainly include multiplayer mobile game development and operation. The digital media business mainly includes digital media content distribution business, such as electronic magazines, comics and music.

The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$90.0 million and HK\$87.5 million, respectively. Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$1.726 per Placing Share. The Company intends to use such net proceeds from the Placing in the following manner:

- (i) approximately 40%, or HK\$35 million, will be used for the business operation and general working capital of the Group, among others, staff costs, office rental, and general administrative and operating expenses; and
- (ii) approximately 30%, or HK\$26.25 million, will be used for further research and development for the gaming products and artificial intelligence (“AI”) products; and
- (iii) approximately 30%, or HK\$26.25 million, will be used to strengthen and diversify the gaming sector for the Group.

The Board is of the view that (i) the Placing will enlarge the shareholder base and the capital base of the Company thereby increasing the liquidity of the Shares, and (ii) the net proceeds of the Placing will strengthen the Group's financial position for its future development. Accordingly, the Board considers that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

Save for the placing as disclosed below, the Company did not conduct any equity fund raising activity in the twelve months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Gross proceeds	Net proceeds	Intended use of proceeds
3 April 2023	Placing of 66,987,174 Shares under the General Mandate	Approximately HK\$118.9 million	Approximately HK\$115.0 million	<ul style="list-style-type: none"> (i) approximately 40% used for the business operation and general working capital of the Group, among others, staff costs, office rental, and general administrative and operating expenses; and (ii) approximately 30% used for research and development in the gaming products and AI products; and (iii) approximately 15% used for expanding the gaming sector; and (iv) approximately 15% used for exploring digital media segments by expanding the advertising distribution market for digital media products and exploring any investment opportunity in digital media industry.

Date of announcement	Fund raising activity	Gross proceeds	Net proceeds	Intended use of proceeds
1 December 2023	Placing of 16,900,000 Shares under the General Mandate	HK\$30 million	HK\$29.0 million	<p>(i) approximately 40%, or HK\$11.6 million, will be used for the business operation and general working capital of the Group, among others, staff costs, office rental, and general administrative and operating expenses; and</p> <p>(ii) approximately 30%, or HK\$8.7 million, will be used for further research and development for the gaming products and AI products; and</p> <p>(iii) approximately 30%, or HK\$8.7 million, will be used to strengthen and diversify the gaming sector for the Group.</p>

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Infinities Global Technology Limited Partnership (“ Infinities Global ”) (<i>Note</i>)	345,721,719	54.89	345,721,719	50.80
Placees	—	0.00	50,700,000	7.45
Other public Shareholders	<u>284,165,455</u>	<u>45.11</u>	<u>284,165,455</u>	<u>41.75</u>
Total	<u>629,887,174</u>	<u>100.00</u>	<u>680,587,174</u>	<u>100.00</u>

Note:

These Shares were held by Infinities Global, a limited company owned as to approximately 53.74% by Infinities Worldwide Limited (“**Infinities Worldwide**”). Infinities Worldwide is a direct wholly-owned subsidiary of Infinities B&M Technology Limited, which is a direct wholly-owned subsidiary of Infinities Technology (Cayman) Holding Limited (“**Infinities Cayman**”). Infinities Cayman was held as to approximately 24.76% by its largest shareholder (i.e., Zhouqinhantang Technology Management Ltd. (“**Zhouqinhantang**”). Zhouqinhantang was indirectly controlled by Mr. Wang Le (the chairman of the Company and an executive Director) as to 50% and Ms. An Fenghua as to 50%. Mr. Wang Le and Ms. An Fenghua are the ultimate controllers of Infinities Global.

The Placing is subject to the fulfilment of the conditions precedent under the Placing Agreement and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 30 June 2023
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	a day on which banks in Hong Kong are open for business, other than: i. a Saturday or a Sunday; or ii. a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon on which banks generally are open for business in Hong Kong
“Company”	Infinities Technology International (Cayman) Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Placing
“Completion Date”	the date of the Completion
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company

“General Mandate”	general mandate which was granted to the Directors pursuant to an ordinary resolution passed at AGM to issue and allot up to 20% of the then issued share capital, which was equivalent to 122,597,434 Shares
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any independent person(s) or entity(ies) procured by the Placing Agent or its sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing Agreement
“Placing”	the best-effort placing of up to 50,700,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Silverbricks Securities Company Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 26 January 2024 in relation to the Placing
“Placing Price”	HK\$1.775 per Placing Share
“Placing Shares”	a maximum of 50,700,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

By order of the Board
Infinites Technology International (Cayman) Holding Limited
WANG Le
Chairman

Hong Kong, 26 January 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wang Le and Mr. Chen Ying, two non-executive Directors namely Mr. Liang Junhua and Mr. Wang Ning and two independent non-executive Directors namely Mr. Leung Ming Shu and Mr. Tang Shun Lam.