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FINSOFT FINANCIAL INVESTMENT HOLDINGS LIMITED

匯財金融投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8018)

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS
SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS; AND
(3) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

Placing Agent



Minerva Holding Financial Securities Limited
贏控金融證券有限公司

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



中毅資本有限公司
Grand Moore Capital Limited

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group, the Board proposes to increase the existing authorised share capital of the Company from HK\$10,000,000 divided into 200,000,000 Shares with a par value HK\$0.05 each to HK\$100,000,000 divided into 2,000,000,000 Shares with a par value of HK\$0.05 each by creating an additional 1,800,000,000 unissued Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

* For identification purposes only

PROPOSED RIGHTS ISSUE

Subject to the increase in authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Company proposes to raise, before expenses, approximately HK\$27.98 million by issuing 378,174,702 Rights Shares on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.074 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

Assuming no changes in the issued share capital of the Company on or before the Record Date, the 378,174,702 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 300% of the total number of Shares in issue as at the date of this announcement; and (ii) 75.00% of the total number of issued Shares as enlarged by the issue of the Rights Shares immediately upon completion of the Rights Issue.

The Rights Issue is not underwritten and is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, any relevant transfer documents (together with the relevant share certificates) must be lodged with the Registrar in Hong Kong at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Tuesday, 9 January 2024. It is expected that the last day of dealings in the Shares on a cum-rights basis is Friday, 5 January 2024 and the Shares will be dealt with on an ex-rights basis from Monday, 8 January 2024.

The Company has not received any information or irrevocable undertaking from any substantial shareholder of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

THE PLACING AGREEMENT

After trading hours on 5 December 2023, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best efforts basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as part of the Compensatory Arrangements.

Details of the principal terms of the Placing Agreement are set out in the section headed "The Placing Agreement" in this announcement.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, among other things, the approval by the Independent Shareholders in general meeting by a resolution at which any controlling shareholders and their associates or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the date of this announcement, the Company has no controlling shareholder, and as such the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the proposed resolution approving the Rights Issue in accordance with Rule 10.29(1) of the GEM Listing Rules. As at the date of this announcement, Ms. Tin Yat Yu Carol, the chairman of the Board and an executive Director, owns approximately 28.93% of the issued Shares. Accordingly, Ms. Tin is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue and the Placing Agreement at the EGM. Save for Ms. Tin's interest in the Shares, no other Director or chief executive of the Company and their respective associates are interested in any Shares as at the date of this announcement.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Hon Ming Sang, Ms. Lee Kwun Ling May Jean, and Mr. Tang Shu Pui Simon, has been established in compliance with Chapter 20 of the GEM Listing Rules to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement and the transactions contemplated thereunder, are on normal commercial terms, fair and reasonable, in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders as to the voting at the EGM, taking into account the recommendations of the Independent Financial Adviser.

The Independent Financial Adviser has been appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, in the interests of the Independent Shareholders as a whole, and to advise the Independent Shareholders as to the voting at the EGM.

DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder. The Circular containing, among other things, (i) details of Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement; (ii) a letter of recommendations from the Independent Board Committee in respect of the Rights Issue and the Placing Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in regard to the aforesaid; (iv) other information required under the GEM Listing Rules; and (v) a notice convening the EGM, will be despatched to the Shareholders on or before 18 December 2023.

Subject to the approval of the Increase in Authorised Share Capital by the Shareholders and the Rights Issue and the Placing Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the EGM, the Prospectus Documents will be despatched to the Qualifying Shareholders. The Prospectus will also be despatched to the Non-Qualifying Shareholders for information only. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, 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 announcement. Accordingly, the Rights Issue may 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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group, the Board proposes to increase the existing authorised share capital of the Company from HK\$10,000,000 divided into 200,000,000 Shares with a par value HK\$0.05 each to HK\$100,000,000 divided into 2,000,000,000 Shares with a par value of HK\$0.05 each by creating an additional 1,800,000,000 unissued Shares. Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

(II) PROPOSED RIGHTS ISSUE

Subject to the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Company proposes to raise, before expenses, approximately HK\$27.98 million by issuing 378,174,702 Rights Shares on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.074 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.074 per Rights Share
Number of Shares in issue as at the date of this announcement	:	126,058,234 Shares
Total number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 378,174,702 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$18,908,735.10 (assuming no change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 504,232,936 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Gross proceeds from the proposed Rights Issue	:	Up to approximately HK\$27.98 million
Right of excess applications	:	As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

Assuming no changes in the issued share capital of the Company on or before the Record Date, the 378,174,702 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 300% of the total number of Shares in issue as at the date of this announcement; and (ii) 75.00% of the total number of issued Shares as enlarged by the issue of the Rights Shares immediately upon completion of the Rights Issue.

As at the date of this announcement, the Company does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Company also has no intention to issue or grant any convertible securities, options and/or warrants 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 that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders together with the NQS Unsold Rights Shares will be placed to independent Places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which are 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 is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholders who apply to take up all or part of their entitlements under the PALs 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 10.26(2) of the GEM Listing Rules.

As at the date of this announcement, the Company has not received any undertaking from any substantial shareholder of the Company of any intention as to whether such Shareholder will take up his/her/its entitlements under the Rights Issue (or otherwise).

The Subscription Price

The Subscription Price of HK\$0.074 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 28.16% to the closing price of approximately HK\$0.103 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 26.00% to the average closing price of approximately HK\$0.100 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 26.73% to the average closing price of approximately HK\$0.101 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 8.92% to the theoretical ex-entitlement price of approximately HK\$0.081 per Share based on the closing price of approximately HK\$0.103 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares;

- (v) a discount of approximately 85.31% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2022 of approximately HK\$0.5038 per Share, which is calculated by dividing the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$63,503,000 as at 31 December 2022 as set out in the annual report of the Company for the year ended 31 December 2022 by the number of Shares as at the date of this announcement; and
- (vi) a discount of approximately 83.12% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2023 of approximately HK\$0.4385 per Share, which is calculated by dividing the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$55,277,000 as at 30 June 2023 as set out in the interim report of the Company for the six months ended 30 June 2023 by the number of Shares as at the date of this announcement.

The net Subscription Price per Rights Share (after deducting the relevant expenses) will be approximately HK\$0.069 per Rights Share.

The Subscription Price was determined with reference to, among other factors, (i) the prevailing market price and recent trading performance of the Shares; (ii) the financial position of the Group; and (iii) the reasons and benefits of the Rights Issue as discussed in the section headed “Reasons for the Rights Issue and Use of Proceeds” in this announcement.

In view of the above, and having considered that all the Qualifying Shareholders will be offered equal opportunity to subscribe for the Rights Shares by way of provisional allotment, the Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) consider that the terms of the Rights Issue and the Placing Agreement, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The theoretical dilution price, the benchmarked price and the theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are approximately HK\$0.081 per Share, HK\$0.103 per Share and approximately 21.12%. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

Closure of register of members

The register of members of the Company will be closed from Thursday, 28 December 2023 to Thursday, 4 January 2024 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The register of members of the Company will also be closed from Wednesday, 10 January 2024 to Tuesday, 16 January 2024 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotments

The basis of the provisional allotments shall be three (3) Rights Shares (in nil paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date. The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Status of Rights Shares

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

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Investors whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

In order to be registered as members of the Company at the close of business on the Record Date, any relevant transfer documents (together with the relevant share certificates) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Tuesday, 9 January 2024. It is expected that the last day of dealings in the Shares on a cum-rights basis is Friday, 5 January 2024 and the Shares will be dealt with on an ex-rights basis from Monday, 8 January 2024.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience 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 diluted.**

For Shareholders with an address outside Hong Kong on the register of members of the Company at the close of business on the Record Date, please refer to the paragraph headed "Non-Qualifying Shareholders" below.

Non-Qualifying Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), such Overseas Shareholder will become a Non-Qualifying Shareholder and will not be entitled to participate in the Rights Issue. The result of the enquiries and the basis of the exclusion, if any, will be included in the Prospectus. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL to them.

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.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation or equivalent legislation of any jurisdictions other than Hong Kong.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) will not have any entitlement under the Rights Issue. Nonetheless, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealing in nil-paid Rights Shares commence and before dealing in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

The Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company, i.e. the NQS Unsold Rights Shares, together with the Unsubscribed Rights Shares, will be offered for subscription by the Placing Agent to the Placees under the Placing and, if not successfully placed out, will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For details, please refer to the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, and the Compensatory Arrangements” below.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares and the nil-paid Rights Shares.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for the fully-paid Rights Shares; and (ii) refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares are expected to be sent on or before Friday, 9 February 2024 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares.

Fractional entitlement to the Rights Shares

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

Application for listing

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and the 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, upon the Rights issue becoming effective.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their 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.

Stamp duty and other applicable fees and charges

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

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

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company has made arrangements to dispose of the Unsubscribed Rights Shares, comprising the Rights Shares that are not subscribed by the Qualifying Shareholders, and the NQS Unsold Rights Shares, by offering the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees who are not Shareholders by way of a placing for the benefit of the relevant No Action Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issues as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best efforts basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses or fees), that is realised from the Placing will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 8 February 2024, placees for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and/or NQS Unsold Rights Shares that remain unplaced will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (1) the Qualifying Shareholders who did not subscribe for the Rights Shares (whether partially or fully) under the PALs and their renounees;
- (2) such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed; and
- (3) the Non-Qualifying Shareholders in respect of the NQS Unsold Rights Shares.

It is proposed that the Net Gain to any of the No Action Shareholder(s) mentioned in (1) to (3) above which is in an amount equal to or greater than HK\$100 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.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the EGM of the necessary resolution(s) to approve the Increase in Authorised Share Capital, 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;

- (b) the Increase in Authorised Share Capital of the Company having become effective;
- (c) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (d) the posting of the Prospectus to the Shareholders on the Company's register of members on the Record Date and the posting of provisional allotment letter to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (e) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms); and
- (f) the Placing Agreement not being terminated.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. If any of the conditions above are not fulfilled, the Rights Issue will not proceed.

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

THE PLACING AGREEMENT

On 5 December 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best efforts basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as part of the Compensatory Arrangements.

Details of the Placing Agreement are as follows:

- Date: : 5 December 2023 (after trading hours of the Stock Exchange)
- Placing Agent : Minerva Holding Financial Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, Placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Share.

The Placing Agent confirmed that each of it and its ultimate beneficial owner(s) is independent of and not connected with the Company and its connected persons or any of their respective associates.

- Placing fee : 3.5% of the aggregate placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
- Placing price : The placing price of each of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.
- The determination of the final price is dependent on the demand and market conditions for the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares during the process of Placing.
- Placees : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies).
- Ranking : Unsubscribed Rights Shares and the NQS 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.
- Condition Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):
- (1) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the EGM of the necessary resolution(s) to approve the Increase in Authorised Share Capital, 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 date on which the Prospectus Documents are posted;
 - (2) the Increase in Authorised Share Capital having become effective;
 - (3) the GEM Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in the Rights Shares;
 - (4) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;

- (5) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events; and
- (6) the posting of copies of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders for information purpose only.

Placing Completion Date : The third Business Day after the Latest Placing Time or such other date as the Company and the Placing Agent may agree in writing.

Termination : If, prior to the Latest Placing Time:

- (1) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing,

the Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to the Latest Placing Time, to terminate the Placing Agreement.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms. The Directors consider that the placing fee charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of the Placing Agreement are on normal commercial terms.

The Placing Agent shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the Public Float Requirements under the GEM Listing Rules immediately following the Placing. The Company will continue to comply with the Public Float Requirements under Rule 11.23(7) of the GEM Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

Given that the Compensatory Arrangements would provide (1) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (2) channel of participation in the Rights Issue for independent investors; and (3) a compensatory mechanism for No Action Shareholders, the Board considered that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the number of Shares in issue from the date of this announcement and up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective entitlements to the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Shareholders have taken up any of their entitlement to Rights Shares with all the Placing Shares placed to Independent Third Parties under the Placing	
	Number of Shares held	Approximate %	Number of Shares held	Approximate %	Number of Shares held	Approximate %
	Ms. Tin Yat Yu Carol ^(Note 1)	36,467,000	28.93%	145,868,000	28.93%	36,467,000
Mr. Chan Sek Keung Ringo ^(Note 2)	6,768,000	5.37%	27,072,000	5.37%	6,768,000	1.34%
Placees ^(Note 3)	–	–	–	–	378,174,702	75.00%
Other Public Shareholders	<u>82,823,234</u>	<u>65.70%</u>	<u>331,292,936</u>	<u>65.70%</u>	<u>82,823,234</u>	<u>16.43%</u>
Total	<u>126,058,234</u>	<u>100.00%</u>	<u>504,232,936</u>	<u>100.00%</u>	<u>504,232,936</u>	<u>100.00%</u>

Notes:

- Ms. Tin is the chairman of the Board and an executive Director of the Company directly interested in 36,467,000 Shares.
- Mr. Chan is interested in (i) 6,168,000 Shares as a beneficial owner; and (ii) 600,000 Shares held by Woodstock Management Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Chan. By virtue of the SFO, Mr. Chan is deemed or taken to be interested in all the Shares of the Company held by Woodstock Management Limited.
- Pursuant to the terms of the Placing Agreement, the Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies). None of the placees will become a substantial shareholder of the Company immediately following the Placing and will not trigger any GO Obligation.
- The above percentage figures are subject to rounding adjustments.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the date of this announcement.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in investment holding and the Group is principally engaged in provision of financial trading software solutions, provision of other IT and internet financial platforms services, money lending business and asset investments in Hong Kong.

The estimated net proceeds of the Rights Issue (after deduction of expenses) if the Rights Issue is subscribed in full is expected to amount to approximately HK\$26.2 million (assuming no change in the number of Shares in issue on or before the Record Date).

Apart from the Rights Issue, the Directors have considered other debt or equity fundraising alternatives such as bank borrowings, placing or an open offer. The Directors note that bank borrowings, if available, carry additional interest costs and create pressure to the liquidity of the Company, and placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the Nil-Paid Rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Having considered the above alternatives, the Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole and that the Rights Issue is an appropriate fundraising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Assuming full subscription under the Rights Issue, the Company intends to apply the net proceeds of approximately HK\$26.2 million as follows:

- (i) approximately HK\$9.4 million will be utilised to support the research and development centre in Qianhai, PRC ("**Qianhai R&D Centre**"). This budget will be deployed for various operating costs for recruitment of staff, office rental, system customisation and integration between Hong Kong and the Qianhai R&D Centre, business development and marketing as well as equipment and infrastructure for the Qianhai R&D Centre.

The Group has long been suffering from high employee turnover rate for its Hong Kong staff. Based on the management's experience, retaining high calibre technical staff in Hong Kong has been costly given that the Group's remuneration packages have to stay competitive to keep up with offers received by local staff from other competing tech companies, large investment banks or securities firms. The Group had already set up a trial research and development site in Qianhai since April 2023 through a human resources agency to evaluate if talent in the PRC would fit the Group's requirement and the result was satisfactory. The management of the Group considers that formally setting up the Qianhai R&D Centre is in the interest of the growth and development of the Group.

The primary objectives for formally establishing this the Qianhai R&D Centre are as follows:

- (i) expanding the scale of the IT and consultancy team in the PRC, under the supervision and technical backup of Hong Kong team, to better support the Group's existing banking and securities firm clients in a more cost effective manner; (ii) upgrading the Group's IT system in the PRC and developing products that fulfill the requirements of diverse potential clientele; and (iii) alleviate the challenge of recruiting and retaining high calibre technical staff in Hong Kong. Qianhai has been chosen by the Group as the location for several

reasons: (1) skilled programmers and labour with relevant experience and education in Qianhai are relatively cost-effective compared to local talents in Hong Kong; (2) a larger pool of potential candidates are eager to join as demonstrated during the Group's recruitment exercises in Qianhai; (3) office rental space in Qianhai is more affordable, contributing to cost savings; and (4) establishing a research and development center in the PRC would enhance the Group's access to the Greater Bay Area and potentially expand its client base. By strategically replicating and migrating the Group's presence from Hong Kong into Qianhai, the Group aims to leverage the advantages of cost-effectiveness, talent availability, and geographical reach. The move will ultimately support the Group's growth and enable it to meet the evolving needs of its clients.

- (ii) approximately HK\$7.1 million will be devoted to expanding the customer support, product development, and research and compliance teams in Hong Kong and supporting these teams with relevant equipment and infrastructure. This budget will be dedicated to (i) hiring additional personnel to support the growth and development of these teams; and (ii) acquiring new hardware and software to support the existing Hong Kong operations, including purchasing new units of developer PCs, servers, and software licenses. By increasing the headcount, we will be able to improve response times, address customer inquiries more efficiently, and ensure a higher level of customer satisfaction. Allocating resources to the product development team signifies our commitment to cover innovative financial products accepted by market as well as local regulators, including but not limited to wealth management, crypto and blockchain related products. The additional staff members will contribute their expertise and fresh perspectives to drive the development of new features, enhancements, and solutions that meet the evolving needs of the market. Investing in the research and compliance team is essential for staying at the forefront of industry trends, explore technological advancements and identify opportunities for product improvement and future growth while fulfilling the relevant compliance requirements.
- (iii) approximately HK\$7.2 million will be allocated to developing new IT system products to explore business opportunities in other geographical locations, such as Southeast Asia. Based on feedback from potential customers, the Group sees potential for creating products tailored to the needs of banking clients in the region. Areas of interest include system software for integrated back office systems, US stock option trading, fractional share trading, and bank integration. These products aim to address the unique requirements of banking clients and provide them with enhanced efficiency and capabilities. By investing in the development of these new IT system products, the Group aims to tap into the potential market in Southeast Asia and meet the evolving requirements of banking clients in the region.
- (iv) the remaining balance of the net proceeds from the Rights Issue would be used for the general working capital of the Group.

In the event of an undersubscription of the Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and has been prepared on the assumption that the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement will be approved by the Independent Shareholders (as the case may be) respectively at the EGM. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Time and Date (Hong Kong time)
Expected date of dispatch of the Circular together with the notice of the EGM and proxy form for the EGM	Monday, 18 December 2023
Latest time for lodging transfer of Shares in order to qualify for attending and voting at the EGM	4:00 p.m. on Wednesday, 27 December 2023
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Thursday, 28 December 2023 to Thursday, 4 January 2024
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Tuesday, 2 January 2024
Record date for attendance and voting at the EGM	Thursday, 4 January 2024
Expected Date and time of the EGM.	11:00 a.m. on Thursday, 4 January 2024
Announcement of the poll results of the EGM	Thursday, 4 January 2024
Effective date of the Increase in Authorised Share Capital	Thursday, 4 January 2024
Register of members of the Company re-opens	Friday, 5 January 2024
Last day of dealings in the Shares on a cum-rights basis	Friday, 5 January 2024
First day of dealings in the Shares on an ex-rights basis.	Monday, 8 January 2024
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:00 p.m. on Tuesday, 9 January 2024
Register of members of the Company closes for determining entitlements to the Rights Issue (both days inclusive)	Wednesday, 10 January 2024 to Tuesday, 16 January 2024

Event	Time and Date (Hong Kong time)
Record Date for determining entitlements to the Rights Issue.....	Tuesday, 16 January 2024
Register of members of the Company re-opens.....	Wednesday, 17 January 2024
Despatch of the Prospectus Documents to the Qualifying Shareholders (in the case of the Non-Qualifying Shareholders, the Prospectus only).....	Wednesday, 17 January 2024
First day of dealings in nil-paid Rights Shares.....	Friday, 19 January 2024
Latest time for splitting of nil-paid Rights Shares.....	4:00 p.m. on Tuesday, 23 January 2024
Last day of dealings in nil-paid Rights Shares.....	Friday, 26 January 2024
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain.....	4:00 p.m. on Wednesday, 31 January 2024
Latest Time for Acceptance of and payment for the Rights Shares.....	4:00 p.m. on Wednesday, 31 January 2024
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements.....	Thursday, 1 February 2024
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent.....	Thursday, 1 February 2024
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent.....	4:00 p.m. on Thursday, 8 February 2024
Latest Time for termination of the Placing Agreement and for the Rights Issue to become unconditional.....	4:00 p.m. on Thursday, 8 February 2024
Rights Issue Settlement Date and Placing Completion Date.....	Wednesday, 14 February 2024

Event	Time and Date (Hong Kong time)
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent and the amount of the Net Gain per Rights Share under the Compensatory Arrangements).	Thursday, 15 February 2024
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any	Friday, 16 February 2024
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Monday, 19 February 2024
Payment of Net Gain to relevant No Action Shareholders (if any)	Thursday, 29 February 2024

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

Whenever any part of the expected timetable of the Rights Issue may be interrupted by a typhoon, a black rainstorm warning or Extreme Conditions, the Company shall properly inform the Shareholders of the corresponding contingency arrangements, which contingency arrangements shall include the Latest Time for Acceptance not taking place on the time as scheduled:

- (a) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended to 5:00 p.m. on the same Business Day; or
- (b) if a tropical cyclone warning signal no. 8 or above, a black rainstorm warning and/or Extreme Conditions is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall, the Latest Time for Acceptance be extended 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 Wednesday, 31 January 2024, the dates mentioned herein 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.

GEM LISTING RULES IMPLICATIONS

Increase in Authorised Share Capital

The Increase in Authorised Share Capital is conditional upon, among other things, the approval by the Shareholders by way of ordinary resolution at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Increase in Authorised Share Capital, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Increase in Authorised Share Capital at the EGM.

Rights Issue

As the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, among other things, the approval by the Independent Shareholders in general meeting by a resolution at which any controlling shareholders and their associates or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the date of this announcement, the Company has no controlling shareholder, and as such the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the proposed resolution approving the Rights Issue in accordance with Rule 10.29(1) of the GEM Listing Rules. As at the date of this announcement, Ms. Tin Yat Yu Carol, the chairman of the Board and an executive Director, owns approximately 28.93% of the issued Shares. Accordingly, Ms. Tin is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue and the Placing Agreement at the EGM. Save for Ms. Tin's interest in the Shares, no other Director or chief executive of the Company and their respective associates are interested in any Shares as at the date of this announcement.

The Company has not conducted any rights issue or open offer within the 12-month period immediately preceding the date of this announcement, 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 within such 12-month period.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 28 December 2023 to Thursday, 4 January 2024 (with both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. No transfer of Shares will be registered during the above book closure period.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Hon Ming Sang, Ms. Lee Kwun Ling May Jean, and Mr. Tang Shu Pui Simon, has been established in compliance with Chapter 20 of the GEM Listing Rules to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Placing Agreement and the transactions contemplated thereunder, are on normal commercial terms, fair and reasonable, in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders as to the voting at the EGM, taking into account the recommendations of the Independent Financial Adviser.

The Independent Financial Adviser has been appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, in the interests of the Independent Shareholders as a whole, and to advise the Independent Shareholders as to the voting at the EGM.

DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The EGM will be convened for the Shareholders and the Independent Shareholders (as the case may be) to consider and, if thought fit, approve the proposed Share Consolidation, Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder. The Circular containing, among other things, (i) details of the proposed Share Consolidation and Increase in Authorised Share Capital; (ii) further information in regards to the Rights Issue and the Placing Agreement; (iii) a letter of recommendations from the Independent Board Committee in respect of the Rights Issue and the Placing Agreement; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in regard to the aforesaid; (v) other information required under the GEM Listing Rules; and (vi) a notice convening the EGM, will be despatched to the Shareholders on or before 18 December 2023.

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will dispatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. The Prospectus will also be despatched to the Non-Qualifying Shareholders for their information only. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

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

The Rights Issue is conditional upon the fulfilment of certain conditions, including, among others, 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 “Rights Issue – Conditions of the Rights Issue” in this announcement.

Shareholders and potential investors of the Company should note that each of the Rights Issue and the Placing is subject to the fulfilment of certain conditions. If any of the conditions of the Rights Issue and/or the Placing are not fulfilled, the Rights Issue and/or the Placing 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.

The Shares are expected to be dealt in on an ex-rights basis on Monday, 8 January 2024, with dealings in the Nil-Paid Rights expected to take place from Friday, 19 January 2024 to Friday, 26 January 2024 (both days inclusive). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-Paid Rights. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Terms used in this announcement have the following meanings unless the context otherwise requires:

“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by the 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

“Circular”	a circular of the Company to be despatched to the Shareholders containing, among other things, (i) details of the proposed Increase in Authorised Share Capital; (ii) further information regarding the Rights Issue and the Placing Agreement; (iii) a letter of recommendations from the Independent Board Committee in respect of the Rights Issue and the Placing Agreement; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in regard to the aforesaid; (v) other information required under the GEM Listing Rules; and (vi) a notice convening the EGM
“Company”	Finsoft Financial Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (Stock Code: 8018)
“Compensatory Arrangements”	the arrangements involving the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, if any, by the Placing Agent on a best effort basis in accordance with Rule 10.31(1)(b) of the GEM Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GO Obligation”	the obligation to make a general offer under Rule 26 of the Takeovers Code

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	an increase in the authorised share capital of the Company from HK\$10,000,000 divided into 200,000,000 Shares to HK\$100,000,000 divided into 2,000,000,000 Shares by creating an additional 1,800,000,000 unissued Shares
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors who have no direct or indirect interest in the Rights Issue and the Placing Agreement, which will be established to advise the Independent Shareholders on the Rights Issue and the Placing Agreement
“Independent Financial Adviser”	Grand Moore Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	the Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	any individual(s) or company(ies) not being the connected persons (as defined under the GEM Listing Rules) of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associate(s)
“Last Trading Day”	5 December 2023, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Latest Placing Time”	4:00 p.m. on Thursday, 8 February 2024, or such later date and time as the Company may announce, being the latest date and time for the Placing Agent to execute the Compensatory Arrangements
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 31 January 2024, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents

“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees)
“Nil-Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any Nil-Paid Rights at the time such Nil-Paid Rights are lapsed, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares and/or NQS Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent and/or its sub-placing agents to the Placees on the terms and subject to the conditions of the Placing Agreement under the Compensatory Arrangements
“Placing Agent”	Minerva Holding Financial Securities Limited (previously known as Minerva Securities Limited), a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO

“Placing Agreement”	the placing agreement dated 5 December 2023 and entered into between the Company and the Placing Agent in relation to the Placing on a best effort basis
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Wednesday, 17 January 2024 or such other date as may be determined by the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders (or in case of Non-Qualifying Shareholder(s), the Prospectus only)
“Public Float Requirement”	the public float requirement under Rule 11.23 of the GEM Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 16 January 2024, or on such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of 378,174,702 Rights Shares at the Subscription Price on the basis of three (3) Rights Shares for every one (1) Share held at the close of business on the Record Date payable in full on acceptance
“Rights Shares”	up to 378,174,702 new Shares to be allotted and issued under the Rights Issue
“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)”	ordinary share(s) of HK\$0.05 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
“Subscription Price”	HK\$0.074 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

For and on behalf of the Board
Finsoft Financial Investment Holdings Limited
Tin Yat Yu Carol
Chairman

Hong Kong, 5 December 2023

As at the date of this announcement, the Board consists of Ms. Tin Yat Yu Carol being an executive Director and the chairman of the Board, Mr. Chan Wai Lung being an executive Director and the vice chairman of the Board, Ms. Liu Mung Ting being an executive Director and the chief executive officer of the Company, Ms. Lam Ching Yee and Ms. Lin Ting being the executive Directors, and Mr. Hon Ming Sang, Ms. Lee Kwun Ling, May Jean and Mr. Tang Shu Pui Simon being the independent non-executive Directors.

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

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the website of the Company at www.finsofthk.com.