MOG DIGITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1942)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

華盛証券

Valuable Capital Limited

THE PLACING

The Board announces that after trading hours on 18 July 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 155,230,000 Placing Shares to not less than six Placees at the Placing Price of HK$0.88 per Placing Share on a best effort basis.

The Company will allot and issue the Placing Shares to the Placee(s) under the General Mandate.

As at the date of this announcement, the Company has 776,199,366 Shares in issue. Assuming that there will be no other change in the total issued share capital of the Company between the date of this announcement and the Completion Date and all the 155,230,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 20.00% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares immediately after the Completion.

Assuming all the 155,230,000 Placing Shares are successfully placed, the gross proceeds from the Placing amount to approximately HK$136.60 million, while the net proceeds from the Placing are estimated to be approximately HK$135.12 million after deducting the estimated expenses for the Placing.

GENERAL

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

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

THE PLACING

The Board announces that, on 18 July 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 155,230,000 Placing Shares to not less than six Placees at the Placing Price of HK$0.88 per Placing Share on a best effort basis.

The Placing Agreement

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

Date:	18 July 2024	
Parties:	(i)	the Company; and
	(ii)	the Placing Agent.

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

The Placing Agent

The Company appoints the Placing Agent as the sole and exclusive placing agent in respect of the Placing, and subject to the conditions of the Placing Agreement, the Placing Agent, agrees to act as the sole and exclusive agent of the Company to procure not less than six subscribers at the Placing Agent's sole discretion subject to the requirements that the subscribers shall be corporate or individual investors who are professional investors and (if applicable with their respective ultimate beneficial owners) are independent of and not acting in concert (as defined in the Takeovers Codes) with or connected with each other, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them or any other shareholders of the Company on terms and conditions of the Placing on the best effort basis, during the Placing Period.

Number of the Placing Shares

Assuming that there will be no other change in the total issued share capital of the Company between the date of this announcement and the Completion Date and all the 155,230,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 20.00% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the Completion.

The aggregate nominal value of all the Placing Shares will be HK$1,552,398.73.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued by the Company to the Placee(s) under the General Mandate, pursuant to which the Directors are authorised to allot, issue, and otherwise deal with up to 155,239,873 Shares, representing 20% of the total number of issued Shares as at the annual general meeting of the Company held on 27 June 2024 approving, among other matters, the granting of the General Mandate.

As of this announcement's date, the Company has not utilised the General Mandate. Accordingly, the Placing is not subject to the approval of the Shareholders.

Ranking of the Placing Shares

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

Placing Price

The Placing Price of HK$0.88 per Placing Share represents:

(a) a discount of approximately 19.27% to the closing price of HK$1.09 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and

(b) a discount of approximately 18.06% to the average closing price of HK$1.074 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Placing Agreement.

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

Taking into account the estimated expenses for the Placing of approximately HK$1.49 million, comprising fees, costs, charges and expenses of the Placing and assuming that all the 155,230,000 Placing Shares could be placed successfully, the net price of each Placing Share amounts to approximately HK$0.8704 per Placing Share.

Commission

In consideration of the services of the Placing Agent in relation to the Placing and provided that the Completion occurs, the Company shall pay to the Placing Agent a commission of 1% of the amount equal to the Placing Price multiplied by the number of Placing Shares which the Placing Agent has successfully procured subscribers for at the end of the Placing Period, which amount the Placing Agent is authorised to deduct from the payment to be made by it to the Company at the Completion.

Assuming all the 155,230,000 Placing Shares have been placed, the maximum commission payable by the Company to the Placing Agent shall be approximately HK$1.37 million.

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

Conditions Precedent

The Completion is conditional on the Listing Committee of the Stock Exchange granting approval for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

The condition cannot be waived by any party under the Placing Agreement. Each of the Company and the Placing Agent shall use their respective reasonable endeavours to procure the satisfaction of the condition, but if the condition shall not have been so satisfied on or before 8 August 2024 (or such later date as the parties hereto may agree) ("**Long Stop Date**"), all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties under the Placing Agreement shall have any claim against the other in relation thereto.

Completion

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

Termination

If at any time between the date of the Placing Agreement and at or before 10:00 a.m. on the Long Stop Date, there occurs:

(1) the introduction of any new law or regulation or any change in existing laws or regulations (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 Company or is materially adverse in the context of the Placing; or

(2) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances 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 Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

(3) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which in the reasonable opinion of the Placing Agent materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or

(4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

(5) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement; or

(6) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or the prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may, upon giving notice to the Company, terminate the Placing Agreement any time prior to the expiry of the Placing Period with immediate effect. If the Placing Agreement shall be terminated according to the terms of the Placing Agreement, the obligations of the Placing Agent shall cease and the Company shall not be liable to pay any commission, and other provisions of the Placing Agreement (other than the clause specified in the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the Parties) shall forthwith cease and determine and no Party shall, save as provided in the termination clause under the Placing Agreement, have any claim against the other Party for compensation, costs, damages or otherwise.

INFORMATION ON THE COMPANY AND THE GROUP

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

INFORMATION ON THE PLACING AGENT

The Placing Agent is duly incorporated in Hong Kong and a licensed corporation (CE No.: AUL711) to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

REASONS FOR THE PLACING AND USE OF PROCEEDS

Assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date, the maximum net proceeds from the Placing (the "**Net Proceeds**") (after deducting the estimated expenses) are estimated to be approximately HK$135.12 million.

The Directors intend to allocate the Net Proceeds as follows:

(i) approximately 62.91% of the Net Proceeds, or approximately HK$85 million, for the expansion and development of the Group's insurance and financial technology related businesses (the "**Insurtech Business**");

(ii) approximately 10% of the Net Proceeds, or approximately HK$13.51 million, for the development and operations of intelligent data centers;

(iii) approximately 10% of the Net Proceeds, or approximately HK$13.51 million, for potential mergers, acquisitions, and strategic investments that can supplement or enhance the Group's existing businesses and are strategically beneficial to its long-term goals; and

(iv) approximately 17.09% of the Net Proceeds, or approximately HK$23.1 million, for general working capital and general corporate purposes of the Group.

The Insurtech Business

As disclosed in the Company's business update announcement dated 12 July 2024, the Group is planning to expand its insurance intermediary services and invest in developing a proprietary technology platform (the "**Platform**") that caters to its business needs.

After reviewing the business plan, the Group plans to allocate the following percentages of the Net Proceeds for specific purposes:

(i) for the development and upgrades of the Platform to enhance the user experience for insurance clients and expand the user base. This focus is on enhancing smart marketing, smart underwriting, smart claims, smart risk control, and smart data analysis. The Group will leverage advanced technologies such as Optical Character Recognition (OCR) recognition, big data, Artificial Intelligence (AI) (including nose print and face recognition), and Neuro-Linguistic Programming (NLP) to support all aspects of the insurance supply chain and streamline its operations. This involves updating and expanding cloud computing systems, data storage and backup systems, servers, and network infrastructure;

(ii) approximately 14.80% of the Net Proceeds, or approximately HK$20 million, for establishing and maintaining a dedicated development and maintenance team of the Platform. The focus will be on enhancing the Platform to improve claim management services, risk assessment assistance, and operational systems to enhance the user experience for insurance clients throughout the insurance transaction process;

(iii) approximately 17.76% of the Net Proceeds, or approximately HK$24 million, for the sourcing and acquisition of financial technology talents and experts which would facilitate the continuous development of the Insurtech Business and the Platform, and are complimentary with the Group's other financial technology related businesses. In view of the robust growth of financial technology application and fast-paced technology advancement, the Group believes that the ongoing acquisition of suitable talents and experts to be one of essential elements of maintaining the Group's competitive edges. The Group intends to attract and acquire such talents and experts by ways of acqui-hiring, engaging executive search agents and offering of joining and retention incentives, etc.;

(iv) approximately 5.92% of the Net Proceeds, or approximately HK$8 million, for engaging third-party service providers for necessary technical support in the development and operations of the Platform. This includes insurance data acquisition, cybersecurity services, and system testing; and

(v) approximately 5.92% of the Net Proceeds, or approximately HK$8 million, for conducting marketing activities such as product marketing, user education, and brand advertising, aiming to enhance the recognition of the Group's brand among insurance companies and clients.

The Group is presently engaged in negotiations with relevant experts and contractors to obtain quotations for the construction of the Platform. This Platform aims to facilitate the intermediation of insurance products to clients through insurance agents, as well as to expand the Group's market to a broader spectrum of insurance clients via business partners. It is anticipated that this initiative will commence in the second half of 2024.

The operations of intelligent data centers

The Group is prioritizing continual digital transformation, cloud computing, 5G, artificial intelligence, big data, machine learning, blockchain, the Internet of Things, and augmented reality. In consideration of the rapid advancement of technologies such as virtual reality, electronic payments, and digital currency, there is an anticipated surge in demand for new data processing capabilities. Consequently, the Group has successfully acquired a property in Hong Kong (the "**Property**") for the establishment of an intelligent data center.

The Property will be used as the location for the Group to establish an advanced data center, featuring the latest technologies during its initial development phase. This will include server hardware, data storage systems, cloud computing platforms, network infrastructure, and advanced monitoring systems.

The upcoming action is a response to the plan put forth by the Chinese government termed as the "Overall Layout Plan for the Construction of Digital China*" (《數字中國建設整體佈局規劃》). The objective is to establish an integrated promotion pattern comprising horizontal integration, vertical integration, and robust coordination by 2025. Substantial progress has been made in the development of Digital China. The potential intelligent data center operated by the Group serves as essential infrastructure for this endeavor. It is accorded high priority in our planning and is a focal point of policy support.

The Group plans to expand by establishing additional data centers and facilities as required according to its business plan. In addition to the necessary capital expenditures for establishing the data center infrastructure, the Group's focus will be on sourcing skilled individuals and engaging third-party consultants to oversee vital functions such as system engineering, network administration, database management, and compliance. These initiatives are crucial in fortifying its data center operations. Considering this business expansion strategy, it is evident that substantial financial resources are imperative to support the ongoing development and operation of the data centers. This will enable the Group to effectively meet the escalating demand for high-performance data center services in China and Hong Kong. It is anticipated that construction will commence in the second half of 2024, subject to the completion of satisfactory feasibility studies conducted by the industry expert.

Conclusions

It is planned that the Net Proceeds will be utilised within twelve months following the Completion. After considering the above, the Directors considered that the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 776,199,366 Shares in issue. The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date)

	As at the date of this announcement		**Immediately after Completion**	
	Number of Shares	*Approximately Shareholding percentage*	*Number of Shares*	*Approximately Shareholding percentage*
The Placees	–	–	155,230,000	16.67
Public Shareholders	776,199,366	100.00	776,199,366	83.33
Total	**776,199,366**	**100.00**	**931,429,366**	**100.00**

EQUITY FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately prior to the date of this announcement:

Date of relevant announcements	**Event**	**Net proceeds**	**Intended use of proceeds**	**Actual use of proceeds as at the date of this announcement**
24 January 2024 and 14 February 2024	Placing of new Shares under the general mandate	HK$145.94 million	(i) Approximately HK$29.19 million for the repayment of part of the Group's current debt;	Not yet utilised.
			(ii) Approximately HK$43.78 million for general working capital of the Group; and	Approximately HK$31.50 million has been utilised as intended.
			(iii) Approximately HK$72.97 million for any investment opportunities in payment related business as identified by the Group from time to time.	Approximately HK$70 million has been utilised as intended.

It is planned that the remaining proceeds from the aforementioned placing of approximately HK$44.44 million will be used as intended by 2024.

Save as disclosed above, the Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the date of this announcement.

GENERAL

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

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

DEFINITIONS

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

"acting in concert"	has the meaning ascribed to it under the Takeovers Codes
"Board"	the board of Director(s)
"Business Day(s)"	any day (not being a Saturday, Sunday or public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
"Company"	MOG Digitech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (with stock code: 1942)
"Completion"	actual completion of the Placing in accordance with the Placing Agreement

"Completion Date"	a date falling within six Business Days after the fulfilment of all the Conditions Precedent or such other date as the Company and the Placing Agent may agree in writing
"Conditions Precedent"	condition(s) precedent to Completion as set out in the Placing Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"General Mandate"	the general mandate granted to the Directors to allot, issue and otherwise deal with up to 155,239,873 Shares, representing 20% of the total number of the issued Shares as at the annual general meeting of the Company held on 27 June 2024
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of their respective connected persons
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	8 August 2024 (or such other date as the Company and the Placing Agent may mutually agree in writing)
"Parties"	the Company and the Placing Agent, and a "Party" shall refer to either one of them

"Placee(s)"	independent institutional, corporate or individual investor(s) which the Placing Agent will procure on a best effort basis to purchase the Placing Shares pursuant to the Placing Agreement
"Placing"	placing of the Placing Shares by the Placing Agent in accordance with the terms of the Placing Agreement
"Placing Agent"	Valuable Capital Limited, a licensed corporation (CE No.: AUL711) to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Placing Agreement"	placing agreement dated 18 July 2024 entered into between the Company and the Placing Agent in relation to the Placing
"Placing Period"	the period commencing immediately after the Placing Agreement is entered into by the Parties and expiring at 5:00 p.m. on the second Business Day from the date of the Placing Agreement (or such later time and date as the parties may agree in writing)
"Placing Price"	HK$0.88 per Placing Share (exclusive of any brokerage fee, SFC transaction levy, Stock Exchange trading fee and such other fee and levy as may be payable by the Placee(s) in respect of the subscription of the Placing Shares)
"Placing Share(s)"	a maximum of 155,230,000 Shares to be issued and allocated to the Placees by the Company through the Placing
"PRC"	the People's Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) of nominal or par value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)

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

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

Hong Kong, 18 July 2024

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