MOG DIGITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1942)

CHANGE IN USE OF PROCEEDS

References are made to the (i) announcements (the "**Announcements**") of MOG Digitech Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 24 January 2024 and 14 February 2024 in relation to the placing of new shares of the Company under the general mandate, which was completed on 14 February 2024 (the "**Placing**"); and (ii) the respective annual and interim reports of the Company for updates on the use of proceeds. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

THE ORIGINAL ALLOCATION OF THE USE OF PROCEEDS FROM THE PLACING

As disclosed in the Announcements, the net proceeds from the Placing (the "**Net Proceeds**") amounted to approximately HK$145.94 million. The Directors had resolved to allocate the Net Proceeds from the Placing as follows:

(i) approximately HK$29.19 million or 20% of the Net Proceeds will be used for repaying part of the Group's current debt;

(ii) approximately HK$43.78 million or 30% of the Net Proceeds will be used for the general working capital of the Group; and

(iii) approximately HK$72.97 million or 50% of the Net Proceeds will be reserved for potential investment opportunities in payment related business as identified by the Group from time to time.

As of the date of this announcement, HK$113.03 million of the Net Proceeds had been utilised, and the remaining unutilised Net proceeds, in the amount of HK$32.91 million (the "**Unutilised Net Proceeds**"), have been placed as interest-bearing deposits in banks.

CHANGE IN THE USE OF THE NET PROCEEDS

After careful consideration and a detailed evaluation of the Group's operation, the Directors resolved to change the use of the Unutilised Net Proceeds as follows:

	The original allocation of the Net Proceeds *HK$ million*	**The amount of actual use of the Net Proceeds as of the date of this announcement** *HK$ million*	**The amount of the Unutilised Net Proceeds as of the date of this announcement** *HK$ million*	**The revised allocation of the Unutilised Net Proceeds** *HK$ million*
Repaying part of the Group's current debt	29.19	–	29.19	–
General working capital (including the Group's money lending business)	43.78	43.03	0.75	32.91
Potential investment opportunities in payment-related business as identified by the Group from time to time	72.97	70.00	2.97	–
Total	**145.94**	**113.03**	**32.91**	**32.91**

For the reasons stated below, the Unutilised Net Proceeds are anticipated to be fully utilised on or before 31 December 2024. Save for the aforesaid changes, there are no other changes in the use of the Net Proceeds.

REASONS FOR THE CHANGE IN THE USE OF THE NET PROCEEDS

In the second half of 2024, the Group completed the acquisition of a Hong Kong company that holds a money lender license under the Money Lenders Ordinance and Money Lenders Regulations to conduct money lending business in Hong Kong. The Group plans to expand its credit operations to include money lending in Hong Kong. As of the date of this announcement, the Directors have identified promising opportunities to earn higher interest, provided that funds are readily available. Therefore, the Group aims to maintain sufficient cash reserves to exploit these opportunities. To support this, the Unutilised Net Proceeds will be used in the money lending business to increase the funds for financing the Group to offer loans.

Despite the change in the use of the Unutilised Net Proceeds as stated above, the Directors confirm that as of the date of this announcement, there has been no material change in the Group's existing business. The Directors believe that the change in the use of the Net Proceeds is in the best interest of the Company and its Shareholders and will not have any material adverse effect on the Group's existing business and operations.

The Directors will continuously assess the plans for using the Unutilised Net Proceeds and may revise or amend such plans to cope with changing market conditions and strive for better business performance for the Group.

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

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

Hong Kong, 14 October 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. Chen Wen and Mr. Gao Hongxiang.