THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **MOG Digitech Holdings Limited** (the "**Company**"), you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

MOG DIGITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1942)

(1) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE AND (2) NOTICE OF THE EGM

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on page 4 to 23 of this circular.

A notice convening the extraordinary general meeting ("**EGM**") of the Company to be held at Room 2, 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Monday, 27 January 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed in this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk and the Company's website at http://www.mogglobal.com.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed revoked.

This circular will remain on the "Latest Listed Company Information" page of the Stock Exchange website for seven days from the date of its publication.

7 January 2025

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DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this circular:

"Board"	the board of Directors
"Business Day(s)"	any day(s) on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
"BVI"	British Virgin Islands
"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"	completion of the Subscription in accordance with the Subscription Agreement
"Completion Date"	a date falling within five (5) Business Days following the date on which all the Conditions Precedent are fulfilled (or such other date as the Company and the Subscriber may mutually agree in writing
"Condition(s) Precedent"	condition(s) precedent to Completion as set out in the Subscription 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
"EGM"	the extraordinary general meeting of the Company to be convened to approve the Subscription Agreement and the transactions contemplated thereunder (including the issuance of the Subscription Shares pursuant to the Specific Mandate)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	independent third party who is not connected person (as defined under the Listing Rules) of the Company and is independent of, and not connected with the Company and any of its respective connected persons
"Latest Practicable Date"	7 January 2025, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 March 2025 (or such other date as the Company and the Subscriber may mutually agree in writing)
"PO Group"	Positive Oasis Limited and its subsidiaries
"PRC"	the People's Republic of China, which shall exclude Hong Kong, Taiwan, and the Macau Special Administrative Region of the PRC
"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 issued Share(s)
"Specific Mandate"	the specific mandate to be sought from the Shareholders for the allotment and issue of the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Valiant Warrior Limited, a company incorporated in the British Virgin Islands with limited liability
"Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 11 December 2024 entered into between the Company and the Subscriber in respect of the Subscription

"Subscription Price"	HK$0.99 per Subscription Share
"Subscription Share(s)"	212,121,212 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
"%"	per cent.

For the purpose of this circular, amounts in RMB are translated into HK$ on the basis of RMB1 = HK$1.07. The conversion rate is for illustration purposes only and should not be taken as a representation that RMB could actually be converted into HK$ at such a rate or at all.

MOG DIGITECH HOLDINGS LIMITED

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

Executive Directors:
Mr. Deng Zhihua *(Chairman and Co-chief Executive Officer)*
Mr. Chen Yongzhong *(Co-chief Executive Officer)*
Ms. Tang Tsz Yuet
Mr. Zhou Yue

Independent non-executive Directors
Ms. Chen Wen
Mr. Gao Hongxiang
Mr. Yau Tung Shing

Registered Office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and principal place of business in the PRC
Room 201, 2nd Floor
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No. 1666 Ziyu Road
Chaoyang New City
Xihu District
Nanchang City
Jiangxi Province
China

Headquarters and principal place of business in Malaysia
No. 1-2, 2nd Floor
Jalan Kajang Indah 1
Taman Kajang Indah
Sg Chua, 43000 Kajang
Selangor
Malaysia

Headquarters and principal place of business in Hong Kong:
Unit 1102, 11/F
29 Austin Road
Tsim Sha Tsui
Kowloon
Hong Kong

7 January 2025

To the Shareholders

Dear Sir or Madam,

(1) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF THE EGM

INTRODUCTION

Reference is made to the announcement of the Company dated 11 December 2024 in relation to, among other things, the Subscription.

The purpose of this circular is to provide you with information containing, among other things, further details of the Subscription and other information as required to be contained in the circular under the Listing Rules, together with the notice of the EGM and enclosed form of proxy.

THE SUBSCRIPTION

On 11 December 2024, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for the Subscription Shares.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out as follows.

Date	:	11 December 2024
Parties	:	(1) the Company; and
		(2) the Subscriber.

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

The Subscription

Subject to the fulfilment of the Conditions Precedent and the terms and conditions of the Subscription Agreement, the Company agreed to allot and issue to the Subscriber (or its designated nominee(s)), and the Subscriber agreed to subscribe for the Subscription Shares, being a total of 212,121,212 new Shares, representing approximately 22.77% of the total issued share capital of the Company as at the Latest Practicable Date.

As of the Latest Practicable Date, the Subscriber has not informed the Company regarding the identity of its designated nominee(s), if applicable. However, the Subscriber has confirmed the Company that any nominee(s) appointed to accept the Subscription Shares must be a company that is wholly owned by the Subscriber.

The Subscription Shares

As of the Latest Practicable Date, the Company has 931,429,366 Shares in issue. Assuming that there will be no change to the total issued share capital of the Company between the Latest Practicable Date and the Completion Date, the Subscription Shares represent (i) approximately 22.77% of the existing total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 18.55% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

The aggregate nominal value of the Subscription Shares will be HK$2,121,212.12.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will be free of all encumbrances and rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

The Subscription Price

The Subscription Price of HK$0.99 per Subscription Shares represents:

(i) a premium of approximately 7.61% over the closing price of HK$0.92 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

(ii) a discount of approximately 15.38% to the closing price of HK$1.17 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;

(iii) a discount of approximately 15.09% to the average closing price of approximately HK$1.166 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement;

(iv) a premium of approximately 25.32% over the Group's unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK$0.79 as at 30 June 2024 (based on a total of 931,429,366 Shares as at the Latest Practicable Date and the Group's unaudited consolidated net asset value attributable to the Shareholders of approximately RMB688,729,000 (equivalent to approximately HK$736,940,000) as at 30 June 2024); and

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 2.85%, represented by the theoretical diluted price of approximately HK$1.14 per Share to the benchmarked price of approximately HK$1.17 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price on the date of the Subscription Agreement of HK$1.17 per Share; and (ii) the average closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Subscription Agreement of HK$1.166 per Share).

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to, among other matters, the prevailing market price.

To determine the Subscription Price, the Directors thoroughly evaluated the closing prices of the Shares traded on the Stock Exchange over the six months leading up to and including the date of the Subscription Agreement (the "**Review Period**"). This timeframe was chosen as a benchmark to effectively capture the prevailing market conditions and recent market sentiment. After careful consideration, the Directors concluded that a six-month review period is appropriate, as it provides a comprehensive understanding of recent Share price performance and incorporates relevant insights regarding the Group's overall performance.

During the Review Period, the Shares were traded on the Stock Exchange, with closing prices ranging from HK$0.59 to HK$1.68. The average closing price observed during the Review Period was approximately HK$1.05. Consequently, the Subscription reflects (i) a discount of approximately 41.07% in comparison to the highest Share price of HK$1.68; (ii) a premium of approximately 67.80% over the lowest closing Share price of HK$0.59; and (iii) a discount of approximately 5.71% relative to the average closing Share price of approximately HK$1.05 noted during the Review Period.

To assess the reasonableness of the Subscription Price, the Directors have identified a comprehensive list of 11 transactions involving companies listed on the Stock Exchange during the Review Period (the "**Comparables**"). This analysis was conducted based on information obtained from the Stock Exchange's website. The criteria for selecting these Comparables were as follows: (i) the companies must be listed on the Stock Exchange; (ii) the transactions must involve the subscription of new shares under a specific mandate; and (iii) the Directors excluded transactions related to (a) share awards or emoluments; (b) acquisitions; (c) loan capitalization; and/or (d) restructuring; and (e) issues of A shares or domestic shares were not considered.

The Directors acknowledge that the Comparables are based on market conditions and sentiments that closely resemble those involved in issuing subscription shares. Therefore, the Directors believe these Comparables accurately reflect recent market trends related to share subscriptions under a specific mandate. As a result, the Directors consider the Comparables to be fair and representative samples for their analysis.

This analysis serves as a general reference for similar transactions in the Hong Kong market. The Directors believe that these Comparables provide a reliable basis for evaluating the fairness and reasonableness of the Subscription Price. Below is a list of the Comparables:

Date of announcement (dd/mm/yyyy)	**Company (stock code)**	**Premium/ (discount) of the subscription price over/(to) the closing price per share on the date of the respective subscription agreement**	**Premium/ (discount) of the subscription price over/(to) the average closing price per share for the last 5 consecutive trading days immediately prior to the date of the respective subscription agreement**
03/12/2024	DevGreat Group Limited (755)	(18.75)%	(17.72)%
12/11/2024	Bonjour Holdings Limited (653)	–	(1.00)%
01/11/2024	IDT International Limited (167)	(44.4)%	(46.8)%
23/10/2024	China Resources Power Holdings Company Limited (836)	(5.06)%	(3.48)%
21/10/2024	Zhi Sheng Group Holdings Limited (8370)	(60.53)%	(60.63)%
17/10/2024	Honbridge Holdings Limited (8137)	(75.00)%	(77.01)%
10/10/2024	Virtual Mind Holding Company Limited (1520)	13.64%	38.89%
04/10/2024	CircuTech International Holdings Limited (8051)	(2.6)%	0.3%
02/09/2024	Well Link Securities Holdings Limited (8350)	65.6%	66.9%

Date of announcement (dd/mm/yyyy)	Company (stock code)	Premium/(discount) of the subscription price over/(to) the closing price per share on the date of the respective subscription agreement	Premium/(discount) of the subscription price over/(to) the average closing price per share for the last 5 consecutive trading days immediately prior to the date of the respective subscription agreement
08/07/2024	Winshine Science Company Limited (209)	(9.1)%	(9.1)%
21/06/2024	China Ruifeng Renewable Energy Holdings Limited (527)	(21.28)%	(21.28)%
	Maximum	65.60%	66.90%
	Minimum	(75.00)%	(77.01)%
	Average	(14.32)%	(11.90)%
	The Company	(15.38)%	(15.09)%

(Source of information: Stock Exchange's website)

The table above presents a detailed overview of the subscription prices of the Comparables in comparison to their respective closing price on the dates of the corresponding agreements. These prices varied, showing a discount of approximately 75% to a premium of approximately 65.60%, with an average discount of approximately 14.32%.

In further examining the subscription prices of the Comparables in comparison to the average closing prices over the five trading days before the date of the corresponding agreements, the Directors found that the results showed a comparable range, with the prices varying from a discount of approximately 77.01% to a premium of approximately 66.90%, with an average discount of approximately 11.90%.

As a result, a discount of approximately 15.38% to the closing price of HK$1.17 per Share, as quoted on the Stock Exchange on the date of the Subscription Agreement and a discount of approximately 15.09% to the average closing price of approximately HK$1.17 per Shares, as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement falls within the established range of the Comparables.

The Directors carefully reviewed the aforementioned analysis and evaluated several key factors concerning the Subscription Price, it was concluded that:

(i) the Subscription Price reflects a premium of approximately 67.80% over the lowest closing Share price of HK$0.59 and an insignificant discount of approximately 5.71% relative to the average closing Share price of approximately HK$1.05 noted during the Review Period;

(ii) the discount offered to the Subscriber on the Subscription Price, when compared to the closing price on the date of the agreement and the average closing price over the five trading days prior, aligns with the established range of benchmark Comparables;

(iii) the Subscription price reflects a premium of approximately 25.32% over the Group's unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK$0.79 as at 30 June 2024; and

(iv) the theoretical dilution effect, as defined under Rule 7.27B of the Listing Rules, is approximately 2.85%, which is not significant.

Considering the above factors and the explanations provided in the section titled "Reasons for the Subscription and the Intended Use of Proceeds", the Directors concluded that offering a discount on the Subscription Price is a commercially prudent strategy to attract Subscriber participation. Therefore, the Directors are of the opinion that the Subscription Price is fair and reasonable, aligning with the overall interests of the Company and its Shareholders.

The net Subscription Price (after deduction of all professional fees and related expenses) is estimated to be approximately HK$0.99 per Subscription Share.

Conditions Precedent

Completion shall be subject to the fulfilment of the following conditions:

(a) the passing of all necessary resolution(s) by the Shareholders at the EGM approving the Subscription Agreement and transactions contemplated thereunder (including the issuance of the Subscription Shares under the Specific Mandate);

(b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares, and the relevant approval was not subsequently repealed or revoked before Completion; and

(c) each of the Company and the Subscriber having obtained all approvals and consents (if any) in relation to the Subscription and the transactions contemplated thereunder.

If any of the Conditions Precedent is not fulfilled on or before the Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties to the Subscription Agreement will be released from all obligations and liabilities thereunder, save for the liabilities for any antecedent breaches thereof.

As of the Latest Practicable Date, none of the above Conditions Precedent has been fulfilled.

Completion

Subject to the fulfilment of the Conditions Precedent, Completion shall take place on the Completion Date.

Application for listing

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

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be approved by way of ordinary resolution(s) by the Shareholders at the EGM.

REASONS FOR THE SUBSCRIPTION AND THE INTENDED USE OF PROCEEDS BY THE COMPANY

The gross proceeds from the Subscription amount to approximately HK$210 million, while the net proceeds from the Subscription are estimated to be approximately HK$209.88 million after deducting the estimated expenses for the Subscription (the "**Net Proceeds**").

The Directors intend to allocate the Net proceeds as follows:

(i) approximately 71.47% of the Net Proceeds, or approximately HK$150 million, for capital injection into the Group's existing financing services business (the "**Financing Services**");

(ii) approximately 23.82% of the Net Proceeds, or approximately HK$50 million, for capital injection into the Group's recently acquired money lending business (the "**Money Lending Business**"); and

(iii) approximately 4.71% of the Net Proceeds, or approximately HK$9.88 million, for general working capital and general corporate purposes, including audit fees, rental costs, staff-related costs, and sale and marketing expenses, or selected mergers, acquisitions, and strategic investments should suitable opportunities arise.

The Financing Services

The Group provides Financing Services through the PO Group. These services are exclusively available to corporate clients seeking funding to settle accounts receivable from acquiring digital hardware from the Group.

The PO Group has established funding arrangements with an independent third party (the "**Financier**"), which provides a credit facility. Under this agreement, the Financier entrusts the PO Group with the origination and granting of financing loans to designated customers. The PO Group retains the right to assign the associated receivables to the Financier, who has conditionally agreed to accept these accounts receivable in case of any default on the financing loans. It is important to note that this credit facility will mature at the end of 2024. The Financier has indicated that he does not plan to extend the credit facility to the Group, as he is currently dedicating his cash resources to other investment opportunities. Therefore, should the PO Group wish to continue offering Financing Services, securing an alternative funding source will be necessary.

Business model of the Financing Services

Upon the Completion and allocation of the relevant Net Proceeds for Financing Services, the PO Group will utilise its internal resources to provide these services. In this process, the customer will transfer its receivables to the PO Group, the finance team of the PO Group overseeing account management and collection activities. Once a receivable is assigned, ownership and associated benefits will be transferred to the PO Group. As a result, the PO Group will assume the credit risk and the principal receivables will be accurately reflected in the Group's financial statements in compliance with the applicable accounting standards.

The credit assessment and monitoring policies

Upon receiving a request for Financing Services, the management of the PO Group conducts a thorough know-your-customer (KYC) assessment. During this essential process, the management of the PO Group carefully verifies all information provided, including relevant corporate and business background details. Once the KYC evaluation is successfully completed, the Group prepares the financing agreement.

Prior to entering into any financing agreement, the PO Group conducts a thorough credit assessment of the applicants. In assessing creditworthiness, considerable importance is placed on the trading records and credit history of customers affiliated with the Group. In limited information, the Group may engage external agencies to perform a credit search, ensuring that adequate background information and credit history are obtained.

Ultimately, the responsibility for approving the loan resides with the director(s) of the PO Group, who make decisions based on a careful evaluation of the gathered information.

The finance team of the PO Group is responsible for maintaining a comprehensive record of interest receivables and collaborates with the operations team to issue timely reminders and alerts regarding repayment. During the monitoring phase, the finance team conducts monthly assessments of each receivable's status and escalates any concerns to the director of the subsidiary as needed.

In accordance with the Group's policy, a regular review of each receivable's outstanding balance is conducted at least annually, with increased frequency if dictated by specific circumstances or market conditions. The assessment of impairment allowances on individual accounts is performed on a case-by-case basis. An independent professional valuer will be engaged in this purpose to ensure a thorough evaluation. Impairment allowances are typically recognized when clear default indicators relate to the loan principal or interest receivables.

Evaluation of the funding needs

In assessing potential courses of action, the Directors noted that the Group's trading in digital hardware has remained stable and significantly contributed to overall revenue. Furthermore, a considerable portion of existing clients relies on Financing Services, which provides a consistent revenue stream for the Group.

Additionally, the Directors have observed that the trade financing landscape in China is expected to experience significant growth in 2025. This growth can be attributed to advancements in digital transformation, supportive government initiatives, and changing market demands. In light of this, and recognizing that the annual turnover of the Group's digital trading business has approached at least RMB500 million, the Group plans to invest approximately HK$150 million into its existing financing services. This investment will support clients in completing their trading transactions and aims to ensure the ongoing sustainability and success of the Financing Services business. The allocated net proceeds are expected to be fully utilised by 2025.

The Money Lending Business

On 8 July 2024, the Group successfully acquired a Hong Kong company with a money lender license, in compliance with the Money Lenders Ordinance and Money Lenders Regulations. This acquisition enables the Group to conduct money lending operations within Hong Kong. In November 2024, the Group completed its first loan transaction, which amounted to HK$15 million. This loan was secured by a personal guarantee and pledged assets.

Business model of the Money Lending Business

The Group provides financing to private companies and individuals, primarily focusing on loans secured by collateral or other securities. In addition, the Group offers unsecured personal loans that are not tied to specific assets or properties. Clients are typically introduced to the Group through established business and personal networks or referrals from current and former customers. While there is no predefined target for loan amounts, each application is assessed individually based on its own merits.

The credit assessment and monitoring policies

In accordance with the Group's established internal control protocols, the credit assessment and monitoring policies for the Money Lending Business should include the following elements:

(i) prior to entering into a loan agreement, the Group is required to complete a loan application form, a KYC form, and a risk assessment form. The finance team will then verify the information provided, including identity details, business background, and collateral information. This verification process entails cross-referencing the submitted information with supporting documents such as identity documentation, proof of address, securities statements, and financial statements for corporate borrowers. Additionally, public searches may be conducted to ensure the accuracy and completeness of the information. Subsequently, a credit assessment form will be initiated for further processing;

(ii) in assessing creditworthiness, the Group places primary emphasis on the collateral and security, if available, as well as the applicant's background. For secured loans, the amount offered to customers is determined by the type of collateral provided and the value of the underlying security. This evaluation includes consideration of any prior securities that have been valued and assessed. For unsecured loans, the amount offered to customers is determined by the borrower's credit score and overall financial health, where this assessment includes the requirement for stable proof of salary, which must be verified to obtain approval from the Group's management;

(iii) the Group will conduct a thorough evaluation of collateral based on various criteria, including liquidity, market value volatility, and asset type. In addition to assessing collateral, the credit assessment team will carefully consider several factors related to the client. These factors include occupation, financial condition, reputation, investment purpose, securities concentration, asset verification, and credit history. This comprehensive evaluation allows for an informed assessment of the client's ability to repay. If any information is lacking, the Group reserves the right to perform credit searches with external agencies to obtain relevant background information and credit history; and

(iv) during the monitoring stage, the credit risk management team diligently assesses the repayment status of each loan on a monthly basis. This information is reported to the Board annually to ensure comprehensive oversight. This serves as a vital component in the loan classification process, which is critical for accurately evaluating impairment losses on loan receivables for financial reporting purposes.

Evaluation of the funding needs

The Group has formulated comprehensive strategies to expand its money lending business to leverage growth opportunities, enhance market share, and strengthen its brand presence. This includes broadening its loan portfolio and increasing market share through enhanced brand recognition and a more prominent industry presence. The growth of the money lending sector is closely linked to the availability of funds for loan offerings. Consequently, expanding the Group's loan portfolio is contingent upon securing additional financial resources.

However, the Group's capacity to implement its expansion strategies may be constrained if financing cannot be secured from banks and financial institutions. In such circumstances, the Group may need to reconsider its expansion plans, which could impact the execution of its growth strategy. Accordingly, the Directors have proposed allocating approximately HK$50 million of the Net Proceeds towards expanding the Group's loan portfolio and diversifying its customer base by offering a wider array of mortgage, corporate, and personal loans.

Presently, a director with extensive expertise in the field oversees the Money Lending Business. Since the business began, she has established strong internal controls and risk management protocols to monitor related credit risks effectively. As a result, the Directors are confident that these measures will lead to increased revenue generation through a higher volume and value of transactions under controllable risk. The allocated net proceeds are anticipated to be fully utilised in 2025.

The potential expansion of the business operation team

In addition to the Group's daily operating expenses, the Group is dedicated to expanding and improving its service capabilities and diversity in line with its growth plan. Therefore, the Group intends to reserve part of the Net Proceeds to increase the workforce, allowing the Group to serve its clients better and expand its range of services. As part of this initiative, the Group plans to hire additional support staff, including a compliance director, an accounting personnel, and a risk management officer, to facilitate the expansion of its business activities.

Possible contribution from the Subscriber

The Directors have conducted a comprehensive assessment of the background and expertise of the ultimate beneficial owner of the Subscriber, particularly considering the Subscriber's proactive involvement in the insurance sector (please refer to the section titled "INFORMATION ON THE SUBSCRIBER" below for more details). The Board recognises that the Subscriber's addition as a shareholder will create opportunities for valuable contributions through their extensive business networks, while also offering the financial flexibility needed to support the Group's future growth. This partnership is poised to enhance the Company's long-term business prospects and strengthen its overall financial foundation, fostering a more robust and dynamic organization.

Possible dilution impact of the Subscription

The Company recognises that the Subscription may dilute the shareholdings of existing Shareholders. However, after carefully considering several important factors, the Directors believe this potential dilution is justified. Firstly, funding is clearly needed to support the Company's future capital expenditures. Secondly, the Subscription is expected to improve the Group's working capital and strengthen its financial position without increasing overall financing costs, which could also reduce net liabilities. Lastly, it's important to note that the Subscription requires Shareholder approval at the upcoming EGM. This process allows Shareholders to review the Subscription terms and make informed decisions on supporting or opposing the relevant resolutions. The Directors are confident that these considerations warrant the potential dilution impact.

Alternative fund raising methods

The Board has considered other fund raising methods, including bank borrowing, placing of shares or convertible bonds, rights issue, and open offer before resolving the Subscription. The Directors believe that the Subscription is generally a more suitable option for raising additional capital for the following reasons:

(i) less documentation is typically required for subscription than rights issue or open offer;

(ii) arranging a subscription generally takes less time than a rights issue or an open offer, typically around two months compared to the three months required for a rights issue or open offer. The longer process involves engaging auditors and legal advisers, obtaining overseas legal opinions, verifying the prospectus, and managing the offer period. In contrast, the subscription process is more straightforward and focuses on vetting the draft circular;

(iii) the Company faces challenges in securing underwriters and/or placing agents. Before entering into the Subscription Agreement, the Company approached two brokerage firms to evaluate their potential role in a share or convertible bond placement and a possible rights issue or open offer, but both responded negatively. This reluctance largely stems from the high volatility in the closing Share price over the past three months. Additionally, uncertainties regarding shareholder participation exist due to the lack of substantial shareholders; and

(iv) the placing of shares shall incur additional placing commission, while the placing of convertible bonds shall inevitably impose interest payment obligations on the Group.

When evaluating debt financing options, several critical considerations should be addressed: (i) engaging in debt financing may result in increased financial costs and a higher gearing level, which could impose additional financial pressure on the Group; (ii) debt financing typically involves the pledge of assets and/or securities, which may restrict the Group's ability to effectively manage and deploy its assets, thereby limiting operational flexibility; (iii) the process often entails extensive due diligence and negotiations, making it both uncertain and time-consuming to secure borrowings at acceptable finance costs with favorable terms and conditions.

Upon careful consideration of the concerns related to debt financing and the various factors associated with fund raising activities, the Directors conclude that the Subscription is appropriate and acceptable for the Company.

Conclusion

The Board plans to continue expanding the Group's existing business. As of the Latest Practicable Date, the Company expects that the net proceeds will be sufficient to meet its funding needs for the next 12 months following completion. There are no intentions or plans to conduct any fund raising activities in the upcoming 12 months. However, this is subject to market conditions and the changing business needs of the Group, which may arise due to increasing economic uncertainties, to achieve better operational performance.

After careful consideration, the Directors believe that the terms of the Subscription Agreement are in line with normal commercial terms and are fair and reasonable. Therefore, it is believed that the Subscription is in the best interest of the Company and its Shareholders.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months, immediately preceding the Latest Practicable Date:

Date of announcements	Fund raising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds as at the Latest Practicable Date
24 January 2024, 14 February 2024 and 14 October 2024	Placing of new Shares under general mandate	HK$145.94 million	(i) Approximately HK$70 million for potential investment opportunities in payment-related business as identified by the Company	Utilised as intended.
			(ii) Approximately HK$75.94 million for general working capital	Utilised as intended.
16 September 2024 and 3 October 2024	Placing of new Shares under general mandate	HK$81.33 million	(i) Approximately HK$70 million for the expansion and development of the Group's insurance and financial technology-related business	Approximately HK$6 million has been utilised as intended.
			(ii) Approximately HK$11.33 million for the Group's general working capital and general corporate purposes	Not yet utilised.

Save as disclosed above, the Company has not conducted any fund raising activities in the past twelve months immediately before the Latest Practicable Date. According to the Group's planning, it is expected that the remaining unutilised proceeds from the placing (which was completed on 3 October 2024), which has been reserved for the expansion and development of the Group's insurance and financial-technology-related businesses, will be fully utilised by no later than 30 September 2025.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As of the Latest Practicable Date, the Company has 931,429,366 Shares in issue. The table below sets out, for illustration only, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion (assuming that there will be no other change to the total issued share capital of the Company between the Latest Practicable Date and the Completion Date):

	As at the Latest Practicable Date		**Immediately after Completion**	
	Number of Shares	*Approximately Shareholding percentage*	*Number of Shares*	*Approximately Shareholding percentage*
The Subscriber	–	–	212,121,212	18.55
Public Shareholders	931,429,366	100.00	931,429,366	81.45
Total	931,429,366	100.00	1,143,550,578	100.00

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 SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. As of the Latest Practicable Date, the Subscriber is wholly owned by Mr. Lee Cho Man Joe (“**Mr. Lee**”) and is principally engaged in investment holding.

Mr. Lee is the chairman and chief executive officer of Klover Insurance Technology (“**Klover**”), where he oversees the Klover auto insurance service platform (四葉草車險服務平臺). Klover is an advanced online auto insurance service that utilizes cloud computing and big data technologies. The platform aims to combine professional insurance practices with financial regulations to ensure that users receive insurance products that are straightforward, easy to understand, and affordable. In addition to this, Klover provides a variety of enhanced services that add value to its customers.

Throughout the year, Mr. Chen Yongzhong ("**Mr. Chen**"), the executive Director who has extensive network in the insurance sector, was introduced to Mr. Lee during a networking event. Following this introduction, Mr. Chen presented the Group's business plan to Mr. Lee and after considering the business plan and business potential of the Group, Mr. Lee expressed an interest in investing in the Shares. Mr. Chen carefully evaluated the Group's funding needs and assessed the potential contributions that Mr. Lee could make based on his experience and connections. It was concluded that Mr. Lee's established relationships within China's insurance industry could help facilitate introductions to additional insurance companies. This would enable the Group to expand its client base for intermediary services, which include innovative technology solutions designed to streamline claims processing and commission settlements for these companies. The introduction of the Subscriber as a potential Shareholder has the potential to create positive financial synergies that would enhance the Group's overall performance in the long term. Consequently, it was concluded that proceeding with the Subscription would be in the interest of the Company and the Shareholders.

To the best of the Directors' knowledge, information, and belief, after making all reasonable inquiries, the Subscriber and Mr. Lee have no relation to the Company's connected persons (business or otherwise).

Furthermore, Mr. Lee is also a co-founder of Kuaidi Dache (快的打車), a smartphone taxi app that merged with Didi Dache in 2015.

Shareholders and potential investors of the Company should note that the Completion is subject to the satisfaction of the conditions precedent to the Subscription Agreement, and there is no assurance that such conditions precedent will be fulfilled. Therefore, the transactions contemplated under the Subscription Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

EGM

The EGM will be held at Room 2, 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Monday, 27 January 2025 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Subscription Shares). A notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

At the EGM, any Shareholder with a material interest in the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Subscription Shares) as set out in the ordinary resolution is required to abstain from voting on the relevant resolution at the EGM. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholders (and his/her/its associates) has a material interest in the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Subscription Shares) and therefore no Shareholders is required to abstain from voting at the EGM in relation to the resolution to be proposed for approving the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Subscription Shares) and related matters at the EGM.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the Stock Exchange's website at www.hkex.com.hk and the Company's website at http://www.mogglobal.com.

Whether or not you are able to attend the EGM or any adjournment thereof (as the case may be), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. If you attend and vote at the EGM in person, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of such general meeting, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution put to vote at the EGM shall be taken by poll.

The Company will appoint scrutineer to handle vote-taking procedures at the EGM. The results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules will be published by the Company on the Stock Exchange's website at www.hkex.com.hk and the Company's website at http://www.mogglobal.com as soon as possible after the conclusion of the EGM.

RESPONSIBILITY STATEMENT

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of identifying shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Wednesday, 22 January 2025 to Monday, 27 January 2025 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the EGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 21 January 2025.

RECOMMENDATIONS

Having considered the above, the Directors are of the view that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution set out in the notice of the EGM to be proposed at the EGM.

On behalf of the Board
MOG Digitech Holdings Limited
Zhou Yue
Executive Director

MOG DIGITECH HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of MOG Digitech Holdings Limited (the "**Company**") will be held at Room 2, 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong on Monday, 27 January 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) the Subscription Agreement dated 11 December 2024 entered into among the Company and Valiant Warrior Limited in relation to the subscription of 212,121,212 new ordinary shares ("**Share(s)**") of the Company (the "**Subscription Share(s)**") at the subscription price of HK$0.99 per Subscription Share and the transactions contemplated thereunder and all other matters incidental thereto and in connection therewith, be and are hereby approved, confirmed and/or ratified (as the case may be);

(b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the Subscription Shares, the directors ("**Director(s)**") of the Company be and are hereby granted a specific mandate (the "**Specific Mandate**") to allot and issue the Subscription Shares, with such Specific Mandate being in additional to and not prejudicing or revoking any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

(c) any one Director be and is hereby authorised to do all such acts or things and execute and deliver all such documents, instruments and agreements which he or she considers necessary, desirable or expedient to give effect to the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) and the allotment and issue of the Subscription Shares, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company."

On behalf of the Board
MOG Digitech Holdings Limited
Zhou Yue
Executive Director

Hong Kong, 7 January 2025

Registered Office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and principal place of business in the PRC:
Room 201, 2nd Floor
Tower 2, Hengye Plaza
No. 1666 Ziyu Road
Chaoyang New City
Xihu District
Nanchang City
Jiangxi Province
China

Headquarters and principal place of business in Malaysia:
No. 1-2, 2nd Floor
Jalan Kajang Indah 1
Taman Kajang Indah
Sg Chua, 43000 Kajang
Selangor
Malaysia

Headquarters and principal place of business in Hong Kong:
Unit 1102, 11/F
29 Austin Road
Tsim Sha Tsui
Kowloon
Hong Kong

Notes:

1. The resolution set out in this notice of EGM will be taken by poll (except where the chairman decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The results of the poll will be published on the Stock Exchange's website at www.hkex.com.hk and the Company's website at http://www.mogglobal.com in accordance with the Listing Rules.

2. Any shareholder ("**Shareholder(s)**") of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it and a proxy so appointed shall have the same right as the Shareholder to speak at the meeting. A proxy need not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxies to represent him/her/it and vote on his/her/its behalf at the EGM. If more than one proxies is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. On a poll, votes may be given either personally (or in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy.

3. A form of proxy for use at the EGM is enclosed with the circular of the Company dated 7 January 2025. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be).

4. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should they so wish. If you attend and vote at the EGM in person, the form of proxy shall be deemed to be revoked.

5. Where there are joint holders of any Shares, any one of such joint holder may vote, either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled to vote, but if more than one of such joint holders are present at the EGM personally or by proxy, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of members of the Company in respect of the joint holding.

6. For determining the entitlement to attend and vote at the EGM, the record date will be Monday, 27 January 2025. The register of members of the Company will be closed from Wednesday, 22 January 2025 to Monday, 27 January 2025 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares of the Company will ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 January 2025.

7. If typhoon signal no. 8 or above, or a "black" rainstorm warning or extreme conditions caused by super typhoons is hoisted or remains hoisted in Hong Kong after 7:30 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the Stock Exchange's website at www.hkex.com.hk and the Company's website at http://www.mogglobal.com to notify the Shareholders of the date, time and place of the rescheduled meeting as and when appropriate.

As at the date of this notice, the Board 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.

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

This notice will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkex.com.hk and the Company's website at http://www.mogglobal.com.