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MOG DIGITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1942)

SUBSCRIPTION OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

THE SUBSCRIPTION

The Board announces that on 15 September 2023, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in an aggregate principal amount of HK\$50,000,000 at the Conversion Price of HK\$65 per Conversion Share.

The Conversion Shares will be allotted and issued by the Company to the Subscriber under the General Mandate.

As at the date of this announcement, the Company has 646,832,805 Shares in issue. Assuming that there will be no change to the total issued share capital of the Company between the date of this announcement and upon the full conversion of the Convertible Bonds, the Conversion Shares represent (i) approximately 0.12% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.12% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Completion is conditional upon and subject to the fulfilment of the Conditions Precedent. 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 thereunder, save for the liabilities for any antecedent breaches thereof.

The gross proceeds from the Subscription amount to HK\$50,000,000, while the net proceeds from the Subscription are estimated to be approximately HK\$49,900,000 after deducting the estimated expenses for the Subscription. The Company intends to apply 70% of the net proceeds from the Subscription for working capital of the Group's account receivable financing or factoring services in the PRC and 30% of the net proceeds from the Subscription for Hong Kong daily operation purposes.

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

GENERAL

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” below, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

THE SUBSCRIPTION

On 15 September 2023, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds.

The Subscription Agreement

Principal terms and conditions of the Subscription Agreement are summarised as follows:

Date: 15 September 2023

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 owners are Independent Third Parties.

Subscription

Subject to the fulfilment of the Conditions Precedent and the terms and conditions of the Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue to the Subscriber, the Convertible Bonds in the principal amount of HK\$50,000,000.

Terms and conditions of the Convertible Bonds

Issuer: The Company

Principal Amount: HK\$50,000,000

Interest: The Convertible Bonds do not bear any interest.

Maturity Date: 14 September 2026, three years from the date of issue of the Convertible Bonds.

Redemption upon maturity:	<p>Subject as provided therein, the outstanding principal amount of the Convertible Bonds, unless previously converted into Shares or repaid in accordance with these Conditions, be repaid subject to and in accordance with the terms and conditions of the Convertible Bonds on the Maturity Date.</p> <p>The Convertible Bonds cannot be redeemed at the option of the Company before the Maturity Date.</p>
Conversion Price:	HK\$65, such Conversion Price shall be adjusted from time to time pursuant hereto and provided however that the Conversion Price shall not be less than the par value of a Share.
Conversion Shares:	Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the Conversion Price of HK\$65, a maximum of 769,231 Conversion Shares will be allotted and issued, representing (i) approximately 0.12% of the existing issued shares of the Company as at the date of this announcement, and (ii) approximately 0.12% of the issued shares of the Company as enlarged by the allotment and issue of the Conversion Shares.
Conversion period:	The holders of the Convertible Bonds shall have the right, in the manner provided in the terms and conditions of the Convertible Bonds, to convert the whole or any part of the outstanding principal amount of their Convertible Bonds into Shares at any time following the date of issue of the Convertible Bonds until the date before (and excluding) the Maturity Date at the conversion price.
Voting:	The holders of the Convertible Bonds will be entitled to receive notices of but will not be entitled to attend or vote at any meetings of the Company by reason only of being a holder of the Convertible Bonds.
Transferability:	The Convertible Bonds may not be transferred by the holders of the Convertible Bonds, without the prior written consent of the Company, to any connected person (as defined in the Listing Rules) of the Company.
Ranking of Conversion Shares:	The Shares issued upon conversion shall rank pari passu in all respects with all other existing Shares outstanding at the Conversion Date and the holder of the Convertible Bonds shall be entitled in respect of its Conversion Shares to all dividends and other distributions the record date of which falls on a date on or after the Conversion Date.
Application for listing:	<p>No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.</p> <p>An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Conversion Shares.</p>

Conversion Price

The Conversion Price of HK\$65 per Conversion Shares represents:

- (i) a discount of approximately 17.46% to the closing price of HK\$78.75 per Share as quoted on the Stock Exchange on 15 September 2023, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 7.33% to the average closing price of approximately HK\$60.56 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreement.

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

Considering the estimated expenses for the Subscription of approximately HK\$100,000, comprising fees, costs, charges and expenses of the Subscription, the net price of each Conversion Share amounts to approximately HK\$64.87 per Conversion Share.

Conditions Precedent

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

- (a) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and permission to deal in, the Conversion Shares;
- (b) the Company and the Subscriber shall have complied with all the requirements under the Listing Rules in connection with the Subscription and the approval of the board of directors of the Company shall have been obtained; and
- (c) any other necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies or such other third parties as may be required by applicable laws, rules or regulations for the Subscription shall have been obtained.

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 at the date of this announcement, save and except for Condition Precedent (a) which has yet to be satisfied, all other aforesaid Conditions Precedent have been fulfilled.

Completion

Subject to the fulfilment of the Conditions Precedent, Completion shall take place on the Completion Date, at such place and at such time as the Company and the Subscriber may agree, and each party to the Subscription Agreement shall perform its obligations in relation to Completion as set out in the Subscription Agreement.

Without prejudice to any other remedies available to either the Company or the Subscriber, if the requirements set out in the Subscription Agreement are not complied with in any respect by either the or the Subscriber on the Completion Date, the non-defaulting party may:–

- (a) proceed to the Completion so far as practicable and in any case without prejudice to its rights under the Subscription Agreement; or
- (b) postpone the Completion to a date (being a Business Day) falling not more than 30 days after the date set for the Completion in accordance with the Subscription Agreement; or
- (c) rescind the Subscription Agreement without liability to the non-defaulting party whereupon and from such date the provisions of the Subscription Agreement (other than the confidentiality provision which shall remain in full force and effect) shall have no effect and no party to the Subscription Agreement shall have any liability under them (without prejudice to the rights of either party to the Subscription Agreement in respect of any antecedent breach of any provisions of the Subscription Agreement).

General Mandate to allot and issue the Conversion Shares

The Conversion Shares will be allotted and issued to the Subscriber under the General Mandate, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 129,366,561 Shares, representing 20% of the total number of issued Shares as at the date of the AGM approving, among other matters, the granting of the General Mandate. As at the date of this announcement, no part of the General Mandate has been utilised by the Company. Accordingly, the Subscription is not subject to the approval of the Shareholders.

REASONS FOR THE SUBSCRIPTION AND THE INTENDED USE OF PROCEEDS

Assuming all the Subscription Shares are successfully subscribed, the gross proceeds from the Subscription will be HK\$50,000,000 and the net proceeds from the Subscription, after deduction of the placing agent fee and other related expenses of the Subscription, will be approximately HK\$49,900,000. The Company intends to apply 70% of the net proceeds from the Subscription for working capital of the Group's account receivable financing or factoring services in the PRC and 30% of the net proceeds from the Subscription for Hong Kong daily operation purposes.

The Directors are of the view that the Subscription will benefit the Group's long-term development by providing a good opportunity to raise additional funds to strengthen the financial position and to broaden the Company's shareholder base and capital base to expand its business scale and facilitate the future growth and high-quality development of its business.

FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fundraising activities in the past twelve months immediately prior to the date of this announcement.

EFFECT ON THE SHAREHOLDING OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon full conversion of the Convertible Bonds (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and upon the full conversion of the Convertible Bonds):

	As at the date of this announcement		Upon full conversion of the Convertible Bonds (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and upon the full conversion of the Convertible Bonds)	
	<i>No of Shares</i>	<i>Approximate shareholding percentage</i>	<i>No of Shares</i>	<i>Approximate shareholding percentage</i>
The Subscriber	–	–	769,231	0.12
Public Shareholders	646,832,805	100.00	646,832,805	99.88
Total	646,832,805	100.00	647,602,036	100.00

INFORMATION OF 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 ABOUT THE SUBSCRIBER

The Subscriber is a company incorporated in Singapore with limited liability. As at the date of this announcement, the Subscriber is owned as to 62% by Mr. Kwek Yan Ping, 20% by Vincar Pte. Ltd., 10% by EV Technology Pte. Ltd. and 8% by Do Ler May Inc.

As at the date hereof, the Subscriber is principally engaged in retail selling motor vehicles and renting and leasing private cars.

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

GENERAL

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed "Conditions Precedent" below, the Subscription may or may not proceed. Shareholders and potential investors of the Company 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:

"AGM"	the annual general meeting held by the Company on 23 May 2023
"Board"	board of Director(s)
"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 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
“Conversion Price”	HK\$65 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	the Share(s) which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$50,000,000 issued by the Company and subscribed by the Subscriber pursuant to the Subscription Agreement
“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 129,366,561 Shares, representing 20% of the total number of the issued Shares as at the date of the AGM
“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 its 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”	14 October 2023 (or such other date as the Company and the Subscriber may mutually agree in writing)

“Maturity Date”	14 September 2026, being 3 years from the date of issue of the Convertible Bonds
“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
“Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	SEB Holdings Pte. Ltd., a company incorporated in Singapore with limited liability
“Subscription Agreement”	the subscription agreement dated 15 September 2023 entered into between the Company and the Subscriber in respect of the Subscription
“%”	per cent.

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

Hong Kong, 15 September 2023

As at the date of this announcement, the Company has three executive Directors, namely Mr. Deng Zhihua (Chairman), 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.