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## **GoFintech Innovation Limited**

### **國富創新有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 290)**

*Website: <https://290.com.hk>*

## **CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE**

This announcement is made by GoFintech Innovation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to: (i) the announcements of the Company dated 17 October 2023, 23 November 2023, 18 December 2023, 28 December 2023, 31 January 2024 and 7 February 2024; (ii) the circular of the Company dated 1 December 2023; and (iii) the prospectus (the “**Prospectus**”) of the Company dated 12 January 2024 in relation to, among other things, the Rights Issue on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date and the Placing.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

### **USE OF PROCEEDS FROM THE RIGHTS ISSUE**

As disclosed in the announcement of the Company dated 7 February 2024 (the “**Results Announcement**”), the net proceeds raised from the Rights Issue were approximately HK\$470.82 million (the “**Net Proceeds**”), and save and except for the reduction of the raised net proceeds made applicable for the general work capital of the Group (i.e., from HK\$54.97 million (as disclosed in the Prospectus) to HK\$52.82 million (as disclosed in the Results Announcement)), such Net Proceeds were intended to be applied in accordance with the disclosure of the Prospectus, detailed under the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Prospectus.

As of the date of this announcement, the Company has utilised a total of HK\$252.74 million of Net Proceeds according to the intended use, and the remaining unutilised Net Proceeds from the Rights Issue amount to approximately HK\$218.08 million (the “**Unutilised Net Proceeds**”). In addition, amongst the Unutilised Net Proceeds, approximately HK\$50.00 million (being approximately 10.62% of the Net Proceeds) originally intended to be applied to the Group’s margin financing business remains unutilised as of the date of this announcement (the “**Margin Financing Unutilised Net Proceeds**”).

## **CHANGE OF USE OF PROCEEDS FROM THE RIGHTS ISSUE**

On 27 March 2024, after careful consideration and detailed evaluation of the Group’s operations and business strategies, the Board has resolved to change the use of the Margin Financing Unutilised Net Proceeds, by re-allocating such sum to the purposes detailed as follows:

(i) HK\$16.00 million for developing the Group's investment immigration business (the “**Investment Immigration**”), including but not limited to further expanding the Group’s investment immigration business in Hong Kong, mainland China, Singapore and other countries and regions based on the Group's existing investment immigration business qualifications and customer base. The sum will be utilised as operating expenses in connection with the business establishment, employee recruitment and business promotion in the jurisdictions as aforesaid, as well as payment of service fees to visa agencies, intermediary services and other agencies in different countries and regions;

(ii) HK\$25.00 million for equity investments into company(ies) with growth potential in emerging industries including new energy and clean energy (the “**Clean Energy Investment**”). Such investment sum will be designated for potential investment projects that include but not limited to a high-tech company engaging in the R&D and production of hydrogen energy;

(iii) HK\$5.00 million for investment into the cryptocurrency field (the “**Cryptocurrency Investment**”) which include, among others, investment in cryptocurrency and relevant virtual asset funds; and

(iv) HK\$4.00 million to supplement general working capital of the Group, the Board expects such amount of increase in leasing and other expenses based on the Group's financial budget for 2024/2025.

Set out below is the utilisation of Net Proceeds up to the date of this announcement and the details of the proposed change in use of the Margin Financing Unutilised Net Proceeds:

	<b>Proposed use of Net Proceeds as disclosed in the Prospectus</b> HK\$ million (approximately)	<b>Utilised Net Proceeds up to the date of this announcement</b> HK\$ million (approximately)	<b>Unutilised Net Proceeds up to the date of this announcement</b> HK\$ million (approximately)	<b>Revised allocation of Unutilised Net Proceeds</b> HK\$ million (approximately)
<b>(A) Working capital for the Group's principally engaged businesses</b>	<b>244.00</b>	<b>103.65</b>	<b>140.35</b>	<b>90.35</b>
(i) In respect of money lending business	100.00	90.00	10.00	10.00
(ii) In respect of margin financing business	50.00	0.00	50.00	0.00
(iii) In respect of asset management business	50.00	0.00	50.00	50.00
(iv) In respect of corporate finance business	44.00	13.65	30.35	30.35
<b>(B) Reserved as seed money for the investment funds to be established and operated under the Group's asset management business</b>	<b>140.00</b>	<b>135.23</b>	<b>4.77</b>	<b>4.77</b>
(i) seed money for an investment fund to be established with focus primarily on major secondary equity markets in Hong Kong, PRC and the USA	90.00	85.23	4.77	4.77
(ii) seed money for an investment fund to be established with focus primarily on private equity targets seeking initial public offerings in the securities markets of Hong Kong and the USA	50.00	50.00	0.00	0.00
<b>(C) General working capital of the Group, including staff cost, rental expenses and other office overhead of the Group</b>	<b>52.82</b>	<b>5.86</b>	<b>46.96</b>	<b>50.96</b>
(i) paying staff costs	32.82	2.76	30.06	30.06
(ii) paying rental expenses and other office overhead of the Group	15.00	1.10	13.90	17.90
(iii) paying cost of upgrading IT system	5.00	2.00	3.00	3.00

<b>(D) Investment into and operation of companies within the financial technology sector</b>	<b>24.00</b>	<b>0.00</b>	<b>24.00</b>	<b>24.00</b>
<b>(E) Repayment of the principal amount of the corporate bonds and the interest accrued therefrom (in the aggregate amount outstanding being approximately HK\$14.46 million), which are becoming due and payable during the period from December 2023 to April 2024</b>	<b>10.00</b>	<b>8.00</b>	<b>2.00</b>	<b>2.00</b>
<b>(F) New purpose: Investment Immigration</b>	-	-	-	<b>16.00</b>
<b>(G) New purpose: Clean Energy Investment</b>	-	-	-	<b>25.00</b>
<b>(H) New purpose: Cryptocurrency Investment</b>	-	-	-	<b>5.00</b>
<b>Total:</b>	<b>470.82</b>	<b>252.74</b>	<b>218.08</b>	<b>218.08</b>

Save and except as set out above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the remainder of the Unutilised Net Proceeds (i) is currently being utilised according to the purposes detailed in the Prospectus; and (ii) is anticipated to be fully utilised in accordance with the expected timeline for full utilisation as disclosed in the Prospectus.

The Unutilised Net Proceeds re-allocated to the new purposes as set out in items (F), (G) and (H) above are expected to be fully utilised on or before 30 September 2024, and the extra sum of HK\$4.00 million re-designated for the general working capital of the Group is expected to have no effect to the expected timeline for its full utilisation (as disclosed in the Prospectus).

## **REASONS FOR THE CHANGE OF USE OF PROCEEDS FROM THE RIGHTS ISSUE**

As mentioned in the Prospectus, the Board has considered, when formulating the use of proceeds from the Rights Issue, that the Company will develop its securities margin financing services business with funds from financing in order to reduce its reliance on banks when expanding its business, so that the Company may further expand its margin financing business with high-quality securities as collateral and provide financing services to customers when they subscribe for IPO shares in the FINI system of the Stock Exchange.

Nevertheless, based on a review of the Group's recent financial conditions and the performance of its operating segments including the securities brokerage and margin financing segments, and taking into account a number of factors including, among others, the current market activity and IPO launching in Hong Kong and international capital markets, the Board has re-assessed the allocation of resources into the Group's existing business segments and the usage of the Group's financial resources, in an effort to maximise value of the Group and derive the most for the Shareholders. The Board has prompted the re-allocation of the Unutilised Net Proceeds for the following reasons.

#### **(i) Investment Immigration**

Owing to various events occurring around the globe in the past years including but not limited to political tensions and pandemic, investment immigration has been booming with (a) investors seeking to diversify assets and investments geographically; (b) individuals with high net worth would predictably desire to locate themselves in jurisdictions with more advanced and resilient health systems; and (c) entrepreneurs are also on the lookout for nations permitting them to enjoy various benefits as a resident and maintain control for their business interests via different visa programs.

Under such trend, it is expected that development in investment immigration will be flourishing, especially when the Hong Kong government has also announced the new capital investment entrant scheme in December 2023, to promote the growth of family offices, with the aim to attract asset owners to set up business in Hong Kong and tap into the diverse investment opportunities in Hong Kong by deploying and managing their wealth.

Taking into account of the above, the Board has prompted to dedicate funds into the development of the Company's investment immigration businesses, with the targets to (a) further expand its business teams with relevant experience in Hong Kong, mainland China and other countries and regions; and (b) enter into long-term cooperative relationships with intermediaries in relevant jurisdictions. Leveraging on its existing qualifications and experience in providing investment immigration planning, portfolio management and related services in Hong Kong and mainland China, the Company aims to revive its investment immigration business in the future.

#### **(ii) Clean Energy Investment**

In the policy address delivered by Hong Kong government last year, there has been an announcement regarding the formulation of the Strategy of Hydrogen Development in Hong Kong in the first half of 2024, it can be foreseen that Hong Kong will promote the use of such clean energy, which has been in turn, utilised globally on aspects such as transportation and power generation, and different countries are gradually developing its own set of regulations and certifications on hydrogen energy production. All such progress reflects that hydrogen energy is gaining recognition and the Board, having recently identified and conducted the necessary due diligence on a technology company involved in the research, development and production of hydrogen energy, intends to make a re-allocation of funds to invest in the clean energy field in order to catch up with the thriving development of clean energy.

### **(iii) Cryptocurrency Investment**

A portion of the Unutilised Net Proceeds will be re-allocated to invest into cryptocurrency and related virtual asset funds, and will be primarily used to (a) acquire cryptocurrency (which mainly includes Bitcoin (BTC)) on regulated and licensed trading platforms; and (b) subscribe for regulated virtual asset funds in Hong Kong (i.e., virtual asset funds managed by fund managers licensed to carry on Type 9 regulated activities under the SFO, which is authorised to invest more than 10% of the total asset value of the investment portfolio in virtual assets or virtual asset funds that invest indirectly in virtual assets). The aforementioned investments will enable the Company to achieve diversification of risks whilst tracking the price performance of one or more cryptocurrencies at the same time. It is more beneficial for the Company as such fund investments will allow exposure gained to cryptocurrency prices without having to deal with the costs and complexities of directly owning digital assets, therefore allowing the Company to maximising return whilst controlling risks.

Notwithstanding the re-allocation of funds, the Group will continue to optimise its financial resources and operate the Group's margin financing business cautiously as part of the Group's existing business and revenue generator, with the objective to continue to explore any potential development opportunities and enhance the profitability of the Group as a whole.

The Board considered that the re-allocation of the Unutilised Net Proceeds will allow the Group to deploy its financial resources more effectively, seize other business opportunities in a prudent manner, contribute to a further diversified business base of the Group as well as cultivating new revenue growth points. The Board considered that the above-mentioned changes in the use of net proceeds are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and will not have any material adverse impact on the existing business and operations of the Group.

To strive for better business performance of the Group, the Directors will continuously assess the changing market conditions and should there be a need for further adjustments on the use of the Unutilised Net Proceeds and/or the Net Proceeds, the Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

By order of the Board  
**GoFintech Innovation Limited**  
**CHAN Kin Sang**

*Chairman and Independent Non-executive Director*

Hong Kong, 27 March 2024

*As at the date of this announcement, the Board consists of one executive Director, namely Ms. SUN Qing; four non-executive Directors, namely Mr. HAN Hanting, Dr. NIE Riming, Mr. LI Chunguang and Mr. HUA Yang; and four independent non-executive Directors, namely Mr. CHAN Kin Sang (Chairman), Mr. CHIU Kung Chik, Mr. LI Gaofeng and Ms. LUI Mei Ka.*