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**Marketingforce Management Ltd**

**邁富時管理有限公司**

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

**(Stock code: 2556)**

## **PLACING OF NEW SHARES UNDER THE GENERAL MANDATE**

### **Placing Agents**



## **PLACING OF NEW SHARES UNDER THE GENERAL MANDATE**

On December 18, 2024 (before trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Agents conditionally agreed to act as placing agents for the Company to procure, on a best effort basis, not less than six Placees to subscribe for up to 1,000,000 new Shares at the Placing Price of HK\$110.00 per Share.

The Placing Price of HK\$110.00 per Share represents:

- (i) a discount of approximately 0.45% to the closing price of HK\$110.50 per Share as quoted on the Hong Kong Stock Exchange on December 17, 2024 (being the Last Trading Day);
- (ii) a discount of approximately 11.82% to the average closing price of approximately HK\$124.74 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including December 17, 2024; and
- (iii) a discount of approximately 3.36% to the average closing price of approximately HK\$113.83 per Share as quoted on the Hong Kong Stock Exchange for the last 15 consecutive trading days up to and including December 17, 2024.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents, with reference to the market price of the Shares.

The number of Placing Shares represents approximately 0.43% of the existing issued share capital of the Company (excluding the Treasury Shares, if any) as at the date of this announcement and approximately 0.42% of the issued share capital of the Company (excluding the Treasury Shares, if any) as enlarged by the Placing (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the completion of the Placing other than the issue by the Company of the Placing Shares).

It is expected the Placing Shares will be placed by the Placing Agents to not less than six professional investors. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees will become a substantial shareholder of the Company upon completion of the Placing.

The obligations of the Placing Agents under the Placing Agreements in respect of the Placing are conditional upon (i) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of and permission to deal in the Placing Shares and such listing and permission not subsequently revoked prior to the completion of the Placing; and (ii) the satisfaction or waiver of certain other customary conditions, including but not limited to the absence of certain events constituting material adverse change.

The issue of the Placing Shares will not be subject to Shareholders' approval as the Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the Company has not issued any Shares under the General Mandate. The Placing Shares will rank *pari passu* in all respects with the Shares then in issue on the date of completion of the Placing.

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

The gross proceeds from the Placing will be approximately HK\$110.0 million. The net proceeds from the Placing will be approximately HK\$109.5 million. The net price per Share for the Placing after deducting related fees and expenses is approximately HK\$109.54 per Share. The Company intends to apply the net proceeds for the following purposes: (i) research and development of AI large language models in marketing and sales, including improving our Tforce large language model in marketing, building our AI agent platform, and business application of AI agent platform in various scenarios; and (ii) working capital and general corporate purposes.

**As completion of the Placing Agreement is subject to the satisfaction and/or waiver of certain conditions precedent, it may or may not materialise as contemplated or at all, and it may be terminated in certain circumstances, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **PLACING OF NEW SHARES UNDER THE GENERAL MANDATE**

On December 18, 2024 (before trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which, the Placing Agents conditionally agreed to act as placing agents for the Company to procure, on a best effort basis, not less than six Places to subscribe for up to 1,000,000 new Shares at the Placing Price of HK\$110.00 per Share.

### **Placing Agreement**

**Date:** December 18, 2024

**Parties:**

- (1) the Company; and
- (2) CCB International Capital Limited, as one of the Placing Agents and Capital Market Intermediaries; and
- (3) uSMART Securities Limited, as one of the Placing Agents and Capital Market Intermediaries, and sole Overall Coordinator.

## **Placing**

### ***Placing Shares***

A total of up to 1,000,000 new Shares will be placed by the Placing Agents under the Placing. Assuming that there will be no change in the issued share capital of the Company from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares, the number of Placing Shares represent (i) approximately 0.43% of the existing issued share capital of the Company (excluding the Treasury Shares, if any) as at the date of this announcement; and (ii) approximately 0.42% of the issued share capital of the Company (excluding the Treasury Shares, if any) as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be US\$0.50.

### ***Placing Price***

The Placing Price is HK\$110.00 per Share and represents:

- (i) a discount of approximately 0.45% to the closing price of HK\$110.50 per Share as quoted on the Hong Kong Stock Exchange on December 17, 2024 (being the Last Trading Day);
- (ii) a discount of approximately 11.82% to the average closing price of approximately HK\$124.74 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including December 17, 2024; and
- (iii) a discount of approximately 3.36% to the average closing price of approximately HK\$113.83 per Share as quoted on the Hong Kong Stock Exchange for the last 15 consecutive trading days up to and including December 17, 2024.

The Placing Price is exclusive of applicable brokerage, trading fees, transaction fees and levies. The Placing Price was determined after arm's length negotiations among the Company and the Placing Agents, with reference to the prevailing market price of the Shares.

### ***Independence of Placing Agents and Placees***

It is expected that the Placing Shares will be placed by the Placing Agents to not less than six professional investors. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are Independent Third Parties. It is not expected that any Placee will become a substantial shareholder of the Company upon completion of the Placing.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the Placing Agents is a connected person of the Company.

### ***Ranking of the Placing Shares***

The Placing Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Placing, including the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

### ***Conditions Precedent to the Placing***

The completion of the Placing shall be subject to certain conditions (the “**Conditions**”), including:

- (a) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate in all material aspects and not misleading as at the date of the Placing Agreement and the Closing Date;
- (b) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently revoked prior to the completion of the Placing; and
- (c) the Placing Agents having received the final draft or substantially complete draft of the CSRC Filings and the opinion of PRC counsel in relation to the CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agents.

### ***Completion of the Placing***

Completion of the Placing shall take place on or before December 30, 2024, or such other time and/or date as the Company and the Placing Agents agree in writing.

### ***Termination***

In the event that, among other things, (i) the Company does not allot and issue the Placing Shares on the Closing Date; or (ii) any of the Conditions has not been satisfied or waived in writing pursuant to the Placing Agreement, the Placing Agents may elect, in their sole discretion, to terminate the Placing Agreement forthwith.

### **USE OF PROCEEDS**

The gross proceeds from the Placing will be approximately HK\$110.0 million. The net proceeds from the Placing will be approximately HK\$109.5 million. The net price per Share for the Placing after deducting related fees and expenses is approximately HK\$109.54 per Share. The Company intends to apply the net proceeds for the following purposes: (i) research and development of AI large language models in marketing and sales, including improving our Tforce large language model in marketing, building our AI agent platform, and business application of AI agent platform in various scenarios; and (ii) working capital and general corporate purposes.

### **REASON FOR AND BENEFITS OF THE PLACING**

The Placing is being undertaken to strengthen the Company’s financial position and supplement the Group’s long-term funding of its expansion and growth plan. The intended use of proceeds is in line with the Company’s strategic focus on enhancing its AI technological advantages and strengthening its leadership in AI empowered digitalization. The Directors consider that the Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

As the Company intends to enhance AI technological innovations, and refine business models, the Board considers that additional cash raised from the Placing will benefit the Group's development as a whole. Having considered the recent prevailing market conditions, the prevailing market price of the Shares and other relevant factors as set out above (including the broadening of Shareholders' base), the Board considers that the Placing would be appropriate in order to replenish the Company's cash resources for the above intended purposes, which would be important for the promotion of the Group's long-term success.

Accordingly, the Directors consider the terms of the Placing Agreement are fair and reasonable on normal commercial terms and in the interests of the Shareholders and the Company as a whole.

## **FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST 12 MONTHS**

The shares of the Company were listed on the Stock Exchange on May 16, 2024. The net proceeds from the initial public offering of the shares of the Company on the Main Board of the Stock Exchange (after deducting underwriting fees and other related expenses) were approximately HKD181.1 million. As of November 30, 2024, HKD62.34 million of the net proceeds received by the Company from its Global Offering have been utilized as follows: (i) approximately HKD22.37 million have been utilized for enhancing our Marketingforce platform and cloud-based offerings; (ii) approximately HKD27.12 million have been utilized for improving our underlying technologies including AI, big data analysis and cloud computing; (iii) approximately HKD3.85 million have been utilized for expanding our sales network, enhance customer success system and improve brand presence; (iv) none of them has been utilized for achieving strategic investment and acquisition to enhance our Marketingforce platform, enriching our product matrix and improve existing product functions; and (v) approximately HKD9.00 million have been utilized for working capital and general corporate purposes. As of the date of this announcement, the Company intends to utilize such proceeds from the Global Offering for the purposes and in the amounts as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated May 7, 2024.

Save for the Global Offering, the Company has not carried out any fund-raising activity involving issue of equity securities during the 12 months immediately before the date of this announcement.

## **GENERAL MANDATE**

By resolutions of the Shareholders passed at the annual general meeting of the Company held on June 28, 2024, the Company granted the General Mandate to the Directors to allot and issue up to 47,032,820 Shares, representing 20% of the total number of Shares of the Company in issue as at June 28, 2024 (excluding the Treasury Shares, if any). As at the date of this announcement, no Shares have been issued or committed to be issued pursuant to the General Mandate. Hence, a total of 47,032,820 Shares remain available for issuance under the General Mandate. The allotment and issue of the Placing Shares will fall within the limit of the General Mandate and is not subject to further approval of the Shareholders.

## EFFECT ON THE SHARE CAPITAL OF THE COMPANY

The following table illustrates the existing shareholding structure of the Company as at the date of this announcement and immediately after the Placing:

Shareholder	Immediately before completion of the Placing		Immediately after completion of the Placing	
	Number of Shares <sup>(1)</sup>	% of issued ordinary share capital of the Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	% of issued ordinary share capital of the Company <sup>(2)</sup>
Placees	–	–	1,000,000	0.42%
Other Shareholders	235,164,100	100%	235,164,100	99.58%
<b>Total</b>	<b>235,164,100</b>	<b>100.00%</b>	<b>236,164,100</b>	<b>100.00%</b>

Notes:

- (1) The total number of Shares does not include the Treasury Shares held by the Company in treasury.
- (2) The percentage shown in the table above may not be an arithmetic aggregation of the figures due to rounding.

The Company confirms that, immediately after the completion of the Placing, the public float of the Company will be no less than 25% of the Company's issued Shares (excluding Treasury Shares) as enlarged by the Placing (assuming that the Placing Shares are fully placed and except for the Placing Shares allotted and issued, there is no change in the issued Shares of the Company from the date of this announcement up to the date of completion of the Placing).

## APPLICATION FOR LISTING OF THE PLACING SHARES

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

## FILING WITH REGULATORY AUTHORITIES IN THE PRC

After the Placing Shares are issued and listed on the Stock Exchange, the Company will file with the regulatory authorities in the PRC in accordance with the relevant applicable laws and regulations, including the CSRC Filing.

## INFORMATION REGARDING THE GROUP

The Group is a company mainly engaged in providing marketing and sales Software as a Service (SaaS) solution. The Group operates through two business segments. The SaaS Business segment mainly provides SaaS products. The Precision Marketing Services segment includes online advertising solution services and online advertising distribution services. Online advertising solution services include account management, traffic procurement, advertising production and distribution, marketing strategy formulation and optimization. Online advertising distribution services mainly provide traffic acquisition and advertising distribution.

## GENERAL

**As completion of the Placing Agreement is subject to the satisfaction and/or waiver of certain conditions precedent, it may or may not materialise as contemplated or at all, and it may be terminated in certain circumstances, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Capital Market Intermediary”	CCB International Capital Limited and uSMART Securities Limited
“Closing Date”	On or before December 30, 2024 or such other date as the Company and the Placing Agents may agree in writing
“Company”	Marketingforce Management Ltd, an exempted company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2556)
“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
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)



“CSRC Filing”	any letters, filings, correspondences, communications, documents, replies, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Placing pursuant to the CSRC Filing Rules and other applicable rules and requirements of the CSRC (including but not limited to the CSRC Filing Report)
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate to allot, issue and deal with up to 47,032,820 Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 28 June 2024
“Global Offering”	the Hong Kong Public Offering and the International Offering of the Company, details of which are set out in the prospectus of the Company dated May 7, 2024
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Last Trading Day”	December 17, 2024, being the last full trading day of the Shares on the Hong Kong Stock Exchange immediately prior to the date of this announcement
“Listing”	The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since May 16, 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“Overall Coordinator”	uSMART Securities Limited

“Placee(s)”	any institutional and corporate professional investors procured by the Placing Agents to purchase any Placing Shares pursuant to its obligations under the Placing Agreement
“Placing”	the placing of Placing Shares pursuant to the Placing Agreement
“Placing Agents”	(1) CCB International Capital Limited; and (2) uSMART Securities Limited
“Placing Agreement”	the agreement entered into among the Company and the Placing Agents in relation to the Placing on December 18, 2024
“Placing Price”	HK\$110.00 per Share
“Placing Share(s)”	the Share(s) to be placed by the Placing Agents under the Placing pursuant to the Placing Agreement
“PRC” or “China”	the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company with a par value of US\$0.0000005 per Share
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Marketingforce Management Ltd**  
**ZHAO Xulong**  
*Chairman of the Board and Chief Executive Officer*

Hong Kong, December 18, 2024

*As at the date of this announcement, the Directors of the Company are: Mr. ZHAO Xulong as chairman, executive Director and chief executive officer, Mr. XU Jiankang as executive Director, Ms. ZHAO Fangqi and Mr. HUANG Shaodong as non-executive Directors and Mr. YANG Tao, Mr. QIN Ci and Mr. CHEN Chen as independent non-executive Directors.*