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金石資本集團有限公司
GOLDSTONE CAPITAL GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1160)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS
SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE**

Financial Adviser to the Company



PROPOSED RIGHTS ISSUE

The Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.11 per Rights Share, to raise up to approximately HK\$13.05 million gross proceeds by issuing 118,635,625 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

The maximum Net Proceeds is estimated to be approximately HK\$11.9 million (assuming no exercise of any outstanding Share Options and no change in the number of Shares in issue on or before the Record Date). The estimated net subscription price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.1. The Company intends to apply the Net Proceeds as the general working capital of the Company.

There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and be a Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Thursday, 8 February 2024.

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 1 February 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis. For details of the Placing Agreement and the Compensatory Arrangements, please refer to the section headed “Procedures in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) they are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not subject to Shareholders’ approval under the Listing Rules.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on Wednesday, 21 February 2024. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PALs to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares will be dealt on an ex-rights basis from Wednesday, 7 February 2024. Dealings in the nil-paid Rights Shares are expected to take place from Friday, 23 February 2024 to Friday, 1 March 2024 (both days inclusive). If the conditions of the Rights Issue (please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement) are not fulfilled, the Rights Issue will not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

PROPOSED RIGHTS ISSUE

The Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.11 per Rights Share, to raise up to approximately HK\$13.05 million gross proceeds by issuing 118,635,625 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.11 per Rights Share
Number of Shares in issue as at the date of this announcement	:	237,271,250 Shares

Number of Rights Shares	:	Up to 118,635,625 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$11,863,562.5 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 355,906,875 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$13.05 million (assuming no change in the number of Shares in issue on or before the Record Date)

Assuming no change in the share capital of the Company on or before the Record Date, 118,635,625 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50% of the total number of issued Shares as at the date of this announcement; and (ii) 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

As at the date of this announcement, the Board has not received any information from any Shareholders of their intention to take up their entitlement under the Rights Issue nor any undertaking from any Shareholders that they will undertake to subscribe for the Rights Shares.

Despite the Rights Issue is conducted on a non-underwritten basis, any Rights Shares not subscribed by the Qualifying Shareholders (i.e., the Unsubscribed Rights Shares), including the NQS Unsold Rights Shares (if any) will be placed by the Placing Agent on the market to independent placees on a best effort basis. The Company considers that such placing arrangement at a placing price of not less than the Subscription Price is attractive to encourage independent placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any). Based on the above, the Company is optimistic that the Qualifying Shareholders and the independent placees (if any) will subscribe for the Rights Shares and raise the necessary proceeds for the Company.

Subscription Price

The Subscription Price is HK\$0.11 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 69.86% to the closing price of HK\$0.365 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 69.86% to the average of the closing prices of HK\$0.365 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 69.86% to the average of the closing prices of approximately HK\$0.365 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 60.71% to the theoretical ex-rights price of HK\$0.28 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.365 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 23.29%, represented by the theoretical diluted price of approximately HK\$0.28 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.365 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of HK\$0.365 per Share) of HK\$0.365 per Share; and

- (vi) a premium of approximately 57.14% to the unaudited net asset value per Share of approximately HK\$0.07 (based on the latest published unaudited net asset value of the Company of approximately HK\$17,507,000 as at 30 September 2023 as disclosed in the interim report of the Company for the six months ended 30 September 2023 and 237,271,250 Shares in issue as at the date of this announcement).

The net price per Rights Share (i.e., Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.1. The estimated Net Proceeds (assuming no change in the number of Shares in issue on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$11.9 million.

The Subscription Price and the subscription rate (i.e. one (1) Rights Share for every two (2) Shares held on the Record Date) was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the prevailing market conditions of the capital market in Hong Kong and the impact of COVID-19 pandemic; (iii) the latest business performance and financial position of the Company; and (iv) the reasons for and benefits of Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in this announcement.

In determining the Subscription Price, which represents a discount of approximately 69.86% to the closing price of HK\$0.365 per Share on the Last Trading Day, the Directors have considered, among other things as mentioned above, (i) market price of the Shares traded on the Stock Exchange from 31 January 2023 to the Last Trading Day, representing approximately twelve months prior to and including the Last Trading Day (the “**Relevant 12-months Period**”) and (ii) the Hang Seng Index from 1 November 2023 to 1 February 2024, representing approximately three months prior to the Last Trading Day (the “**Relevant 3-months Period**”), as benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant 12-months Period, the Shares were traded on the Stock Exchange with closing price ranges between the lowest closing price of HK\$0.28 per Share on 16 June 2023, 19 June 2023, 20 June 2023, 21 June 2023, 23 June 2023 and 26 June 2023 and the highest closing price of HK\$0.81 per Share on 23 March 2023. In general, the daily closing price per Share during the Relevant 12-months Period demonstrates a downward trend. During the Relevant 3-months Period, Hang Seng Index ranges between the lowest closing point of 14,961.18 on 22 January 2024 and the highest closing point of 18,079.0 on 15 November 2023. In general, Hang Seng Index during the Relevant 3-months period demonstrates a downward trend.

The Directors consider, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company; (iii) the Subscription Price which represents discount to the recent closing price of the Shares can attract Shareholders to subscribe and participate in the Rights Issue; (iv) the Subscription Price is similar with the subscription price accepted by other placing agents based on the discussion between other placing agents and the Company; and (v) the proceeds from the Rights Issue can fulfil the funding needs of the Company.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders only and the Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company, and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) for registration with the Registrar at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, by 4:00 p.m. on Thursday, 8 February 2024.

The last day of dealing in the Shares on cum-rights basis is Tuesday, 6 February 2024. The Shares will be dealt with on an ex-rights basis from Wednesday, 7 February 2024.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue.

The basis for excluding the Non-Qualifying Shareholder(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus (without the PAL) to the Non-Qualifying Shareholders for their information only.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholder(s) on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholder(s). Based on the register of members of the Company as at the date of this announcement, there are 2 Overseas Shareholders holding of 200,000 Shares representing approximately 0.08% of the total number of issued Shares, whose address on register of members of the Company is in the PRC.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Closure of register of members

The register of members of the Company will be closed from Friday, 9 February 2024 to Tuesday, 20 February 2024 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure period.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional Entitlements to the Rights Shares" below.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd lots matching services

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact the Placing Agent at (852) 2844-9876 or by facsimile at (852) 2526-0618 during the period from 9:00 a.m. on Wednesday, 20 March 2024 to 4:00 p.m. on Friday, 19 April 2024 (both days inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on Tuesday, 19 March 2024. If the Rights Issue does not become unconditional, refund cheques (without interest) are expected to be posted on or before Tuesday, 19 March 2024 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, or any other applicable fees and charges in Hong Kong.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

According to Rule 7.21(1)(a) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 1 February 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 12 March 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The Rights Shares, in both their nil-paid and fully-paid forms, will be traded in the board lots of 100,000 Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to dealing is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders, if any, for information only, by no later than the Prospectus Posting Date;
- (iii) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the business day prior to the first day of their dealings;
- (iv) compliance with the requirements under the applicable laws and regulations of Hong Kong and Bermuda; and
- (v) the Placing Agreement is not terminated.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the above conditions are not fulfilled on or before the Latest Time for Termination, the Rights Issue will not proceed.

Placing Agreement for the Unsubscribed Rights Shares and NQS Unsold Rights Shares

Details of the Placing Agreement are summarised as follows:

Date : 1 February 2024 (after trading hours)

Issuer : The Company

Placing Agent : Gransing Securities Co., Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties.

Placing Period : A period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Monday, 11 March 2024, and ending at 4:00 p.m. on Tuesday, 12 March 2024 or such later date as the Company and the Placing Agent may agree in writing

Commission and expense : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 3.5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.

Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be (i) Independent Third Party(ies) and (ii) who shall each be a professional investor as defined in Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the subscription size of each Placee shall be at least HK\$500,000.

For the avoidance of doubt, no placee shall become a substantial shareholder of the Company. The Company will continue to comply with the public float requirements under Rule 8.08 of the Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of allotment and issue.

Conditions of the Placing Agreement : The Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled or waived (where applicable) on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

The terms of the Placing Agreement, including the commission payable, was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Company, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to independent placees on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole:

- (i) the arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company;
- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The Placing Agent and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) are Independent Third Parties; and

(iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	Date
	2024
Last day of dealing in the Shares on a cum-rights basis.	Tuesday, 6 February
First day of dealing in the Shares on an ex-rights basis	Wednesday, 7 February
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue.	4:00 p.m. on Thursday, 8 February
Closure of the register of members of the Company for the Rights Issue (both days inclusive)	Friday, 9 February to Tuesday, 20 February
Record Date for determining entitlements to the Rights Issue	Tuesday, 20 February
Register of members of the Company re-opens	Wednesday, 21 February
Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only)	Wednesday, 21 February
First day of dealing in nil-paid Rights Shares	Friday, 23 February
Latest time for splitting of the PAL.	4:00 p.m. on Tuesday, 27 February

Event	Date
	2024
Last day of dealing in nil-paid Rights Shares	Friday, 1 March
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Wednesday, 6 March
Latest time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 6 March
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 8 March
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Monday, 11 March
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on, Tuesday, 12 March
Latest time for Termination.	4:00 p.m. on Tuesday, 12 March
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Monday, 18 March
Despatch of refund cheques, if any, if the Rights Issue is terminated, on or before.	Tuesday, 19 March
Despatch of share certificates of fully-paid Rights Shares	Tuesday, 19 March

Event	Date
	2024
Expected first day of dealings in fully-paid Rights Shares	Wednesday, 20 March
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares.	9:00 a.m. on Wednesday, 20 March
Payment of Net Gain to relevant No Action Shareholders (if any)	Thursday, 28 March
Designated broker ceases to stand in the market to provide matching services for odd lots of the Shares.	4:00 p.m. on Friday, 19 April

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or amended varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 6 March 2024. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 6 March 2024. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Wednesday, 6 March 2024, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment company listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules. The principal activity of the Company is investment holding and the Company is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments with potential for earning growth and capital appreciation. The objective of the Company is to achieve earnings in the form of short to medium term capital appreciation through investing in a diversified portfolio of investments in listed or unlisted enterprises incorporated or established and/or conducting business in Hong Kong and PRC.

As disclosed in the interim report of the Company for the six months ended 30 September 2023, the Company has approximately HK\$21.7 million cash and cash equivalent as at 30 September 2023. However, approximately HK\$17.2 million of the cash and cash equivalent (the “**Unutilised Proceeds**”) is intended for investing in listed and unlisted enterprises established in Hong Kong and the PRC with potential for earnings growth and capital appreciation and is expected to be fully utilised by 31 March 2024 as disclosed in the annual report of the Company for the year ended 31 March 2023.

The Company has delayed its investment plan in 2023 due to the economic environment and market fluctuation. The Company considered the current worsened external environment and interest rate hikes continued to pose immense pressure on Hong Kong’s stock market. Following the trend of interest rate hikes in the United States, capital and business markets faced massive challenges, so as the investment opportunities. However, there may be a change as more analysts considered the interest rate hike cycle is nearing the peak and it is anticipated that it will start to lower the interest rate in March 2024 the earliest. It will alleviate the pressure on the stock market. It is also noted that despite the challenges from property developers continued to affect market confidence in China, China central government has implemented stimulus measures to restore the industry confidence and it is anticipated the economy will start to have a turnaround and create investment opportunities.

It is the Company’s strategy to invest the Unutilised Proceeds in sectors including but not limited to healthcare & pharmaceutical sector, bio-technology sector, telecommunication sector and energy sector. Under the recent market sentiment, the Board is seeking investment opportunities such as undervalued listed and unlisted securities, distressed assets, non-performing assets and non-performing asset management companies for medium term capital appreciation purpose. The Board is of the view that (i) some of the assets in the market are undervalued due to the recent market sentiment; and (ii) the stock market and the economy will start to have a turnaround, and hence create potential investment opportunities. The Board has identified some potential investment opportunities from the abovementioned categories. As such, the Directors are of the view that the Unutilised Proceeds should be apply to Company’s future investment and business development as stated in the announcement of the Company dated 6 January 2022 and the Unutilised Proceeds is expected to be fully utilised by 31 March 2024.

The Company has incurred general and administrative expenses of approximately HK\$10.3 million for the year ended 31 March 2023 as disclosed in the annual report of the Company for the year ended 31 March 2023. Having considered the above, the Company intends to apply the Net Proceeds as the general working capital of the Company as follows:

- approximately HK\$5.0 million for staff costs (including Directors' emoluments);
- approximately HK\$1.8 million for auditing, legal and other professional fees;
- approximately HK\$1.2 million for investment management fee;
- approximately HK\$1.1 million for expenses relating to short-term leases; and
- approximately HK\$2.8 million for other general and administrative expenses.

If the Rights Issue is undersubscribed and the size of the Rights Issue is reduced, the net proceeds are expected to be utilised with proportional reductions in the same usage scenarios as above.

The maximum Net Proceeds, is estimated to be approximately HK\$11.9 million (assuming no change in the number of Shares in issue on or before the Record Date). The estimated net subscription price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.1.

As the Rights Issue will be on a non-underwritten basis, the actual amount of the Net Proceeds cannot be ascertained at this point.

The Board has considered various ways of fund raising and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Company's long-term growth by long term financing, preferably in the form of equity which will not increase the Company's finance costs.

The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Company and subject the Company to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as collateral may be required. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the

Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent:

Assuming no change in the shareholding structure of the Company on or before completion of the Rights Issue:

	(i) As at the date of this announcement		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		(iii) Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Everbright Goldstone International Group Limited	88,129,080	37.14	132,193,620	37.14	88,129,080	24.76
Treasure Isle Global Limited (Note 1)	25,954,878	10.94	38,932,317	10.94	25,954,878	7.29
Gold Pond International Limited (Note 2)	23,600,000	9.95	35,400,000	9.95	23,600,000	6.63
DT Capital Limited	21,500,000	9.06	32,250,000	9.06	21,500,000	6.04
Other public shareholders	78,087,292	32.91	117,130,938	32.91	78,087,292	21.94
Independent placees	–	–	–	–	118,635,625	33.33
Total (Note 3)	<u>237,271,250</u>	<u>100.00</u>	<u>355,906,875</u>	<u>100.00</u>	<u>355,906,875</u>	<u>100.00</u>

Notes:

- (1) Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li Bohan and 50% by Mr. Zhang Jianming. Each of Mr. Li Bohan and Mr. Zhang Jianming is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
- (2) Gold Pond International Limited is beneficially owned as to 100% by Sunwah Tongfang Limited. Sunwah Tongfang Limited is beneficially owned as to 100% by Ms. Luo Yan.
- (3) The percentage of the Shares are rounded to the nearest two decimal places, and the total number of the percentages may not be equal to 100% due to rounding.

FUND RAISING EXERCISE IN THE PAST TWELVE MONTHS

The Company has not conducted the any equity fund raising activities during the twelve months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

As at the date of this announcement, save for the Rights Issue and the Placing, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company's shares in the next 12 months.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on Wednesday, 21 February 2024. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PALs to the Non-Qualifying Shareholders.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares will be dealt on an ex-rights basis from Wednesday, 7 February 2024. Dealings in the nil-paid Rights Shares are expected to take place from Friday, 23 February 2024 to Friday, 1 March 2024 (both days inclusive). If the conditions of the Rights Issue (please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement) are not fulfilled, the Rights Issue will not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal 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 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) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Goldstone Capital Group Limited, a company incorporated in the Bermuda with limited liability whose issued Shares are listed on Stock Exchange (stock code: 1160)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)
“Last Trading Day”	31 January 2024 being the last trading day of the Shares on the Stock Exchange prior to the publication of this announcement
“Latest Lodging Time”	4:00 p.m. on Thursday, 8 February 2024 or such other date as the Company may agree, being the latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue

“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 6 March 2024 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Tuesday, 12 March 2024 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements
“Net Proceeds”	the net proceeds of the Rights Issue, after deducting all relevant expenses
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that has/have not been sold by the Company

“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Gransing Securities Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising in corporate finance) and type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 1 February 2024 and entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Monday, 11 March 2024, and ending at the 4:00 p.m. on Tuesday, 12 March 2024 or such later date as the Company and the Placing Agent may agree in writing
“Placing Shares”	all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue

“Prospectus Documents”	collectively, the Prospectus and PAL
“Prospectus Posting Date”	the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 20 February 2024 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Union Registrars Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	new Shares proposed to be allotted and issued pursuant to the Rights Issue, being up to 118,635,625 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.11 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“United States”	the United States of America
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders or transferees of nil-paid Rights Shares
“%”	per cent

By Order of the Board
Goldstone Capital Group Limited
Huang Bin
Chairman

Hong Kong, 1 February 2024

As at the date of this announcement, the Board comprises Mr. Huang Bin (Chairman), Mr. Chen Huaiyuan, Mr. Lam King and Mr. Xu Lin as non-executive directors; and Mr. Hung Hoi Ming Raymond, Mr. Ning Fong and Ms. Wan Yuk Ling as independent non-executive directors.