

February 25, 2021



# **MICT Acquires Key License for Soon-to-Launch Stock Trading and Wealth Management Platform and Mobile App in China and Hong Kong**

*Hong Kong Securities and Futures Commission Approves MICT's 100% Acquisition of License Holder, Huapei Global Securities Ltd., a Hong Kong-Based Securities and Investments Firm*

Montvale, N.J., Feb. 25, 2021 (GLOBE NEWSWIRE) -- MICT, Inc. (Nasdaq: MICT) ("MICT" or the "Company") today announces it has received approval from the Hong Kong SFC (Securities and Futures Commission) to complete the acquisition of Huapei Global Securities, Ltd. ("Huapei"), which provides the Company with a licensed platform to facilitate the trading of securities on the major stock exchanges in Hong Kong, the United States, and China for its Chinese and Hong Kong clientele.

As previously announced, the Company acquired a 9% stake in Huapei on October 1, 2020 with the option to acquire the remaining 91% upon the receipt of approval from the regulatory authority.<sup>1</sup> Having gained the approval of the Hong Kong SFC, the acquisition is expected to be finalized within the next two to three weeks. The completion also enables the Company to commence final stage testing of its trading platform app in a live environment, ahead of its subsequent launch.

China is one of the largest contributors to online securities trading, with China and Hong Kong based investors accounting for around 45% of total trading volume in 2017. China's online retail securities market has grown significantly in recent years, from \$1.8 trillion in 2012 to \$12.7 trillion in 2017, representing compound annual growth of 47.8%, and is expected to reach \$30.3 trillion by 2022. China's population of approximately 1.4 billion, includes more than 400 million millennials and around 325 million Generation Z, who are more likely to transact over apps and other online platforms.

The completion of the Huapei acquisition allows MICT the opportunity to attract these investors, whether through leveraging its existing client base or through the Company's strategic marketing programs or partnerships with the big Chinese portals who recognize the value proposition for their users. In addition, the Company has recruited a seasoned management team which is experienced and well qualified to drive these customers to such online platforms.

"The acquisition of Huapei marks a pivotal event for MICT, in particular, Huapei's licenses allow us to launch our mobile app-based equities trading platform and gains us access into

the one of the world's largest retail investment markets," said Darren Mercer, MICT's CEO. "We believe our platform will be competitive with other comparable offerings in China and that it possesses all of the attributes needed to quickly gain market share, including a strong balance sheet to offer margin financing; a strategic marketing plan to attract new users; relationships with major online platforms, allowing access to their user-bases; and an interface that appeals to the fast-growing Chinese online retail investor market. Based on these factors, we believe, once launched, our platform will provide a meaningful contribution to MICT's overall revenue in 2021 and beyond and deliver accretive shareholder value."

## **About MICT**

MICT, Inc. (NasdaqCM: MICT) operates through its subsidiaries, GFH Intermediate Holdings Ltd. ("GFHI") and Micronet Ltd. ("Micronet"). GFHI's versatile proprietary trading technology platform is designed to serve a large number of high growth sectors in the global fintech space. Primary areas of focus include online brokerage for equities trading and wealth management services and sales of insurance products in several high-growth foreign markets, including Asia, where GFHI owns a substantial database of users. Micronet operates in the growing telematics and commercial Mobile Resource Management market, mainly in the United States and Europe. Micronet designs, develops, manufactures, and sells mobile computing solutions that provide fleet operators and field workforces with computing solutions in challenging work environments.

## **Forward-Looking Statements**

Litigation Reform Act of 1995 and other U.S. Federal securities laws. These forward-looking statements include, but are not limited to, statements related to revenue targets, the growth of the Chinese Insurance market and other statements that are not historical facts. Such forward-looking statements and their implications involve known and unknown risks, uncertainties and other factors that may cause actual results or performance to differ materially from those projected. The forward-looking statements contained in this press release are subject to other risks and uncertainties, including those discussed in the "Risk Factors" section and elsewhere in the Company's annual report on Form 10-K for the year ended December 31, 2019 and in subsequent filings with the Securities and Exchange Commission. Except as otherwise required by law, the Company is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Contacts:

[info@mict-inc.com](mailto:info@mict-inc.com)

(201) 225-0190

<sup>1</sup> <https://investors.mict-inc.com/news/news-details/2020/MICT-enters-into-agreement-to-acquire-Hong-Kong-securities-and-investments-firm-serving-China-Hong-Kong-and-United-States/default.aspx>.



Source: MICT, Inc.