
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your stockbroker, other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any territory or jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, and the other document(s) specified in the paragraph headed “14. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of those settlement arrangements and how such arrangements may affect your rights and interests.

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 respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



中國信息科技發展有限公司

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY EIGHT EXISTING SHARES HELD ON THE RECORD DATE ON A FULLY UNDERWRITTEN BASIS

Financial Adviser to the Company



Underwriter of the Rights Issue



Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Monday, 15 September 2025 to Monday, 22 September 2025 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Monday, 15 September 2025 to Monday, 22 September 2025 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, served prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These certain events are set out in the section headed “Termination of the Underwriting Agreement” on pages 6 to 8 of this Prospectus. **If the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.**

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Thursday, 25 September 2025. The procedures for acceptance and payment for or transfer of the Rights Shares are set out on pages 19 to 21 of this Prospectus.

11 September 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme adopted by the Company on 2 August 2012
“2023 Share Option Scheme”	the share option scheme adopted by the Company on 15 May 2023
“Announcement”	the announcement of the Company dated 13 August 2025 relating to, among others, the Rights Issue
“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for normal banking business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a “black rainstorm” warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Company”	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (Stock Code: 8178)
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“controlled corporation(s)”	has the meaning as ascribed thereto under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“controlling shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter

DEFINITIONS

“Extreme Conditions”	the extreme conditions the government of Hong Kong may announce in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of Hong Kong
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning as ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 PRC
“Independent Third Party(ies)”	third party(ies) who are not connected persons of the Company and its subsidiaries and who are independent of the Company and connected persons of the Company
“Last Trading Day”	13 August 2025, being the date of the Announcement
“Latest Practicable Date”	5 September 2025, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 25 September 2025 or such other time as may be agreed between the Company and the Underwriter, being the latest time for application for, acceptance and payment in respect of the provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Monday, 29 September 2025 or such later time as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) to whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Issue on account of either legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

DEFINITIONS

“Outstanding Share Options”	the outstanding share options to subscribe for an aggregate of up to 5,373,213 Shares granted under the Share Option Schemes which are exercisable on or before the Record Date
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	Shareholder(s) whose address on the register of members of the Company is outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which, for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus issued by the Company to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Thursday, 11 September 2025 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 10 September 2025 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai Hong Kong
“Rights Issue”	the proposed issue of three (3) Rights Shares for every eight (8) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

DEFINITIONS

“Rights Shares”	27,474,463 new Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue, and each being a “Rights Share”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Option Schemes”	collectively, the 2012 Share Option Scheme and the 2023 Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 12,353,000 new shares of the Company by A M K M INVESTMENTS L.L.C. under the general mandate pursuant to the subscription agreement dated 7 November 2024
“Subscription Price”	HK\$1.29 per Rights Share
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as may be amended from time to time
“Underwriter”	RaffAello Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 13 August 2025 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	27,474,463 Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent

Certain figures included in this Prospectus have been subject to rounding adjustments and hence may not be an arithmetic aggregation of the related figures.

[#] *The English name is not the official name and is translated for reference purposes only.*

EXPECTED TIMETABLE

Event	Time and Date
First day of dealing in nil-paid Rights Shares	Monday, 15 September 2025
Latest time for splitting of the PALs	4:30 p.m., Wednesday, 17 September 2025
Last day of dealing in nil-paid Rights Shares.	Monday, 22 September 2025
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m., Thursday, 25 September 2025
Latest time for termination of the Underwriting Agreement and for the Rights Issue to become unconditional.	4:00 p.m., Monday, 29 September 2025
Announcement of results of acceptance of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Monday, 6 October 2025
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated or for unsuccessful applications for the Rights Issue)	Wednesday, 8 October 2025
First day of dealing in the fully-paid Rights Shares	Thursday, 9 October 2025
Designated broker commences to provide matching services for odd lots of Shares.	Thursday, 9 October 2025
Designated broker ceases to provide matching services for odd lots of Shares	Thursday, 23 October 2025

All dates and times specified in this Prospectus refer to Hong Kong local dates and times. Dates stated in this Prospectus for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the GEM Listing Rules.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Thursday, 25 September 2025 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or Extreme Conditions, and if such circumstances are:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force 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 and for application and payment for excess Rights Shares does not take place on or before 4:00 p.m., Thursday, 25 September 2025, the dates mentioned in this section (including but not limited to the Latest Time for Termination) may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if:

- (a) in the reasonable opinion of the Underwriter, the business or the financial or trading position or the prospects of the Group or the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
 - (ii) the occurrence of (1) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before or after the date hereof) of a political, military, financial, economic or currency or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange for more than ten consecutive Business Days (other than any suspension in connection with the clearance of the Announcement, the Prospectus Documents or other announcements or circulars or any other documents relating to the Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by a relevant authority or a material disruption in commercial banking or securities settlement or clearing services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof;
- (b) any change in the circumstances of the Company or any member of the Group occurs which, in the reasonable opinion of the Underwriter, will materially and adversely affect the prospects of the Company, including without limitation, the presentation of a petition or the passing of a resolution for the liquidation or winding-up or similar events occurring in respect of any member of the Group or the destruction of any material asset of the Group;
- (c) any event of force majeure occurs, including without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, pandemic outbreak, terrorism, armed conflict, strike or lock-out;
- (d) there occurs the commencement by any third party of any litigation or claim against any member of the Group which is material to the Group taken as a whole;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (e) any other material adverse change in relation to the business or the financial or trading position of the Group as a whole occurs;
- (f) the Company commits a material breach of the Underwriting Agreement where, in the reasonable opinion of the Underwriter, such material breach will or is likely to have a material and adverse effect on the business or the financial or trading position of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue;
- (g) the Underwriter receives notification from the Company of, or otherwise becomes aware of, the fact that any representation or warranty of the Company as set out in the Underwriting Agreement was, when given, untrue, inaccurate or would be untrue or inaccurate if repeated on the Latest Time for Termination, and the Underwriter shall, in its reasonable discretion, determine that untrue or inaccurate representation or warranty represents or is likely to represent a material adverse change in the business or the financial or trading position of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue;
- (h) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;
- (i) any statement contained in the Announcement or any of the Prospectus Documents has been shown to be untrue, inaccurate, incomplete in any material respect or misleading with reference to the date on which such statement was made; or
- (j) the Company shall, after any Specified Event has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents) in such manner and with such content as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company and in accordance with the GEM Listing Rules and/or the SFO.

Upon the giving of notice referred to above by the Underwriter, all obligations of each of the parties to the Underwriting Agreement shall cease and no party thereto shall have any claim against the other party for costs, damages, compensation or otherwise in respect of any matter arising out of or in connection with the Underwriting Agreement save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is so terminated.

LETTER FROM THE BOARD



中國信息科技發展有限公司

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

Executive Directors:

Mr. Wong King Shiu, Daniel
(Chairman and Chief Executive Officer)
Mr. Chu Joshua Allen Kiu Wah
Mr. So Han Meng Julian

Registered office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Hon. Li Sai Wing, *MH, JP*
Ms. Leung Kar Ming, *MH*

*Head office and principal place of
business in Hong Kong:*

Unit 3308, 33/F.
Millennium City 6
392 Kwun Tong Road
Kwun Tong, Hong Kong

Independent non-executive Directors:

Dr. Chen Shengrong
Mr. Wong Hoi Kuen
Mr. Chu Wun Chiu

11 September 2025

*To the Qualifying Shareholders; and
for information only, the Non-Qualifying Shareholders*

Dear Sir or Madam

**RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY EIGHT EXISTING SHARES
HELD ON THE RECORD DATE ON
A FULLY UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue. On 13 August 2025, the Board announced that the Company proposed to raise approximately HK\$35.44 million, before expenses, by issuing 27,474,463 Rights Shares by way of the Rights Issue, on the basis of three (3) Rights Shares for every eight (8) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.29 per Rights Share. Qualifying Shareholders are entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue by way of excess application. The Rights Issue is not available to the Non-Qualifying Shareholders.

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue, including the information on procedures for application and payment, together with the financial and other general information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every eight (8) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$1.29 per Rights Share
Number of Shares in issue as at the Latest Practicable Date and the Record Date (<i>Note</i>)	:	73,265,237 Shares
Number of Outstanding Share Options at the Latest Practicable Date and the Record Date (<i>Note</i>)	:	5,373,213 share options exercisable into 5,373,213 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	27,474,463 Rights Shares
Number of Shares in issue immediately upon completion of the Rights Issue	:	100,739,700 Shares
Aggregate nominal value of the Rights Shares	:	HK\$2,747,446.3
Gross proceeds from the Rights Issue	:	Approximately HK\$35.44 million
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment
Underwriter	:	RaffAello Securities (HK) Limited
Number of Rights Shares underwritten by the Underwriter	:	The Rights Issue is fully underwritten by the Underwriter

Note: As the book closure period had already commenced, no Outstanding Share Options had been exercised as at the Latest Practicable Date, the number of Shares in issue on the Record Date was 73,265,237 Shares.

LETTER FROM THE BOARD

Based on the existing issued share capital of the Company as at the Latest Practicable Date, the 27,474,463 Rights Shares to be allotted and issued pursuant to the Rights Issue represent (i) 37.50% of the existing issued share capital of the Company; and (ii) approximately 27.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, save for the Outstanding Share Options, the Company did not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares. No Outstanding Share Options had been exercised from the date of the Announcement and up to the Latest Practicable Date, which is after the commencement of the book closure period.

Subscription Price

The Subscription Price is HK\$1.29 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 53.26% to the closing price of HK\$2.76 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 55.05% to the closing price of HK\$2.87 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 55.43% to the average closing price of approximately HK\$2.89 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 55.43% to the average closing price of approximately HK\$2.89 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 47.11% to the theoretical ex-rights price of approximately HK\$2.44 per Share based on the closing price of HK\$2.87 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 63.0% the net asset value per Share of approximately HK\$3.49 per Share based on the latest published audited consolidated net asset value attributable to owners of the Company of approximately HK\$255.5 million as at 31 December 2024 as set out in the annual report of the Company for the year ended 31 December 2024 and the total number of issued Shares of 73,265,237 Shares as at the Latest Practicable Date;

LETTER FROM THE BOARD

- (vii) a discount of approximately 52.97% the net asset value per Share of approximately HK\$2.74 per Share based on the latest published unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$201.0 million as at 30 June 2025 as set out in the interim report of the Company for the six months ended 30 June 2025 and the total number of issued Shares of 73,265,237 Shares as at the Latest Practicable Date; and
- (viii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 15.12% of the theoretical diluted price (as defined under Rule 10.44A of the GEM Listing Rules) of approximately HK\$2.46 per Share to the benchmarked price of HK\$2.89 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price of HK\$2.87 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of HK\$2.89 per Share).

During the 12-month period immediately preceding the Announcement, the Company has not undertaken (whether by reference to the date of agreement or announcement or the date of commencement of dealing of shares) any rights issue, open offer or specific mandate placing. The theoretical diluted price, the benchmarked price and theoretical dilution effect (all defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are approximately HK\$2.46 per Share, HK\$2.89 per Share and 15.12%, respectively. The Rights Issue will 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 10.44A of the GEM Listing Rules.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to (i) the prevailing market price and recent trading performance of the Shares which includes the daily closing price and daily trading volume of the Shares during the six months prior to the Last Trading Day, where the closing price of the Shares demonstrated an overall downward trend from HK\$3.2 per Share on 10 February 2025 to HK\$2.87 per Share on the Last Trading Day with an average daily trading volume amounting to approximately 0.02% of the total issued share capital of the Company as at the Last Trading Day, which indicated a lack of liquidity and demand for the Shares; (ii) the latest business performance and financial position of the Group. For the years ended 31 December 2023 and 2024 and six months ended 30 June 2025, the Company recorded total comprehensive expense/loss for the year/period of approximately HK\$37.49 million, HK\$33.10 million and HK\$54.91 million, respectively. The Company has recorded consecutive losses during these periods and such losses weakened the financial position of the Company, resulting in a deterioration of net asset value attributable to the owners of the Company from approximately HK\$270.8 million as at 31 December 2023 to approximately HK\$201.0 million as at 30 June 2025; (iii) the Directors' view that it is reasonable to set the Subscription Price at a discount to the closing price per Share on the Last Trading Day and the consolidated net asset value per Share attributable to the Shareholders as described above in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate, given the unfavourable price trend and lack of liquidity of the Shares; and (iv) amount of funds the Company intends to raise for the purposes as discussed in the section headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this Prospectus.

LETTER FROM THE BOARD

In addition, the Directors considered that the Shares have been traded at a discount to the net asset value per Share since 8 January 2025, reflecting prevailing market sentiment. Further, as depicted in Table 1 under the section headed “Underwriting Arrangement” below, the Directors made reference to Similar Issues (as defined below) and noted that the discount of the subscription price to the net asset value per share of Similar Issues is ranged from approximately 54.5% to approximately 94.1% (except that of China Health Group Limited). Although the Company’s discount of approximately 63.0% in the Subscription Price to the net asset value per share as at 31 December 2024 falls within the observed range, a discount of approximately 52.97% in the Subscription Price to the net asset value per share as at 30 June 2025 is slightly below the bottom end of approximately 54.5% of the observed range, and both are more favorable than that of approximately 81.8% of the average discount of the comparable transactions as set out in Table 1, the substantial variability in discount levels among these Similar Issues suggests that, when considered in isolation, this metric may have limited probative value in assessing the overall reasonableness of the pricing. As such, the Directors considered that the net asset value is not a meaningful benchmark to determine the Subscription Price. Instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price.

After thoroughly evaluating current market conditions and sentiment, relatively stagnant trading volume of the Shares and shareholder sentiment, the Board has determined that a relatively substantial discount to the current market price of the Shares, net asset value per Share as well as the benchmark price (as defined under Rule 10.44A of the GEM Listing Rules) of the Shares would be necessary to provide adequate incentive to encourage shareholder and potential institutional subscribers participation in the Rights Issue, while ensuring the fundraising objectives can be met. Despite the relatively substantial theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules), the Directors consider such effect is inevitable in order to achieve fundraising objectives and incentivise the Shareholders to participate in the Rights Issue considering the lack of liquidity and relatively stagnant trading volume of the Shares as demonstrated above. Accordingly, despite the Subscription Price is priced at a relatively substantial discount to the current market price of the Shares, net asset value per Share and the benchmark price of the Shares, taking into account (i) the then market prices of the Shares with a downward trend coupled with a lack of liquidity as discussed above; (ii) the Group’s latest financial position with a net loss of approximately HK\$55.9 million recorded for the six months ended 30 June 2025 and historical loss-making financial performance; (iii) the necessity to provide adequate incentive with Subscription Price at a discount to encourage participation in the Rights Issue; and (iv) reasons and benefits of the Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and the use of proceeds” in this Prospectus, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Further, the basis of the Rights Issue was determined and derived by (i) the Subscription Price negotiated between the Company and the Underwriter; and (ii) the amount of funds the Company intends to raise for the Rights Issues, which is sufficient to meet the funding requirements as set out in the section headed “Reasons for the Rights Issue and Use of Proceeds” below in this Prospectus. As depicted in Table 1 under the section headed “The Underwriting Agreement”, the Directors are aware that a broad range of the basis for entitlement adopted in the market, which suggests it is not uncommon for issuers to calibrate the entitlement basis to ensure the fundraising objectives can be met.

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The Directors consider that the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its shareholding in the Company held on the Record Date, the Board is of the view that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimising possible dilution impact. The Board considers that 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.

The estimated net price per Rights Share after deducting the related expenses of the Rights Issue is approximately HK\$1.17.

Undertaking

As at the Latest Practicable Date, the Company had not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of the following conditions:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong of the Prospectus Documents in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (ii) following registration, the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the websites of the Stock Exchange and the Company on or before the Prospectus Posting Date;
- (iii) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms; and
- (iv) the Underwriting Agreement not being terminated in accordance with the terms thereof on or before the Latest Time for Termination.

The Company shall use its reasonable endeavours to procure the fulfilment of all the above conditions by the Latest Time for Termination or such other time as the Company and the Underwriter may agree.

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None of the above conditions can be waived. If the conditions set out in paragraphs (i) to (iv) above are not fulfilled by the Latest Time for Termination or such other time as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate (save and except for the provisions regarding fees, notices and governing law and jurisdiction which shall remain in full force and effect) and no party thereto shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares for every eight (8) existing Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up his/her/its entitlement under the Rights Issue in full, his/her/its shareholding in the Company will be diluted.

Status of the Rights Shares

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

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must on the Record Date (i) be registered as a member of the Company; and (ii) not be a Non-Qualifying Shareholder.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any territory or jurisdiction other than Hong Kong. Based on the latest available register of members of the Company as at the Latest Practicable Date, there were three Shareholders with registered address situated in the PRC, who held 4,050,053 Shares in aggregate, representing approximately 5.53% of the issued share capital of the Company as at the Latest Practicable Date, and one Shareholder with registered address situated in the British Virgin Islands, who held 11,500,000 Shares, representing approximately 15.70% of the issued share capital of the Company as at the Latest Practicable Date.

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The Company has complied with Rule 17.41(1) of the GEM Listing Rules and made enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders. The Company has obtained advice from legal advisers in the PRC and the British Virgin Islands, and has been advised that there are no restrictions under securities law or other similar laws in the PRC and the British Virgin Islands or requirement of any regulatory body or stock exchange in the PRC and the British Virgin Islands which would prevent the Company from extending the Rights Issue to the Overseas Shareholders in the PRC and the British Virgin Islands. Based upon such advice, the Overseas Shareholders having registered address in the PRC and the British Virgin Islands will not be excluded from the Rights Issue and shall therefore be the Qualifying Shareholders. Accordingly, the Rights Issue will be extended to such Overseas Shareholders having registered address in the PRC and the British Virgin Islands.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for, by way of excess application, pursuant to Rule 10.31(1)(a) of the GEM Listing Rules:

- (i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders, if any;
- (ii) any of the Rights Shares created by aggregating fractions of the Rights Shares; and
- (iii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of nil-paid Rights Shares

(collectively referred to as “**Untaken Rights**”).

Application for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable in respect of the excess Rights Shares being applied for. The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) subject to availability of the excess Rights Shares, any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (c) no preference will be given to applications for topping up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and

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- (d) pursuant to Rule 10.31(3)(b) of the GEM Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder of the Company or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for. Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

In the event that the Board notices unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess Rights Shares.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, Computershare Hong Kong Investor Services Limited, on or before the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheque which must be drawn on a bank account with, or by cashier’s order which must be issued by, a licensed bank in Hong Kong and made payable to “**China Information Technology Development Limited – Excess Application Account**” and crossed “**Account Payee Only**”.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Wednesday, 8 October 2025. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his/her/its own risk by the Registrar on or before Wednesday, 8 October 2025.

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All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or the cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses as at the Record Date by the Registrar on the respective despatch dates. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a representation and warranty from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant territories and jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representations and warranties above. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" above is not fulfilled at or before 4:00 p.m. on Monday, 29 September 2025 (or such later time as may be agreed between the Company and the Underwriter), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheque despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 8 October 2025.

Fractions of the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed "Application for excess Rights Shares" under the section headed "Rights Issue" in this Prospectus.

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Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Thursday, 9 October 2025 to Thursday, 23 October 2025 (both days inclusive). Shareholders who wish to take advantage of this service should contact Ms. Grace Wong of RaffAello Securities (HK) Limited at 1/F, E168, 166 – 168 Des Voeux Road, Central, Hong Kong (telephone number: (852) 2545 7722) during office hours from 9:00 a.m. to 6:00 p.m..

Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those who have accepted and applied for and paid for the Rights Shares on or before Wednesday, 8 October 2025 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful applications for the Rights Issue, refund cheques are expected to be posted on or before Wednesday, 8 October 2025 by ordinary post to the applicants at their own risk.

Procedures for acceptance and payment or transfer

PAL – Acceptance, payment and transfer

A PAL is enclosed with this Prospectus, which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon with the Registrar, together with a remittance for the full amount payable on acceptance, so that they will be received by no later than 4:00 p.m. (Hong Kong time) on Thursday, 25 September 2025 (or, under bad weather conditions, such later time and/or date as mentioned in the paragraph headed “Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheque which must be drawn on a bank account with, or by cashier’s order which must be issued by, a licensed bank in Hong Kong and made payable to “**China Information Technology Development Limited – Rights Issue Account**” and crossed “**Account Payee Only**”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Thursday, 25 September 2025, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

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If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL, or to transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 17 September 2025 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Applicants must pay the exact amount payable upon application for the Rights Shares, and underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to the applicant if the overpaid amount is HK\$100 or above.

Completion and return of the PAL together with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the applicable laws and regulations of the relevant territories and jurisdictions, including the obtaining of any governmental or other consents, and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither

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HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representation or warranty above. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate the Underwriting Agreement prior to the Latest Time for Termination or if any of the conditions of the Rights Issue is not fulfilled by the Latest Time for Termination or such other time as the Company and the Underwriter may agree, the monies received in respect of the relevant provisional allotment, without interest, will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, by means of cheque despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Wednesday, 8 October 2025.

No receipt will be issued in respect of any application monies received.

Application for listing of the Rights Shares

The Company has made an application to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange.

No part of the equity and debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchanges other than the 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 respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The nil-paid Right Shares shall have the same board lot size as the Shares, i.e. 2,000 Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Future Commission transaction levy, the Accounting and Financial Reporting Council transaction levy and any other applicable fees and charges in Hong Kong.

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Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from purchase, holding or disposal of, or dealing in the Rights Shares.

THE UNDERWRITING AGREEMENT

The principal terms of the Underwriting Agreement are as follows:

Date	:	13 August 2025
Issuer	:	The Company
Underwriter	:	RaffAello Securities (HK) Limited
Number of Underwritten Shares	:	27,474,463 Rights Shares, representing all the Rights Shares to be issued pursuant to the Rights Issue (assuming none of the Rights Shares are subscribed). Accordingly, the Rights Issue is fully underwritten.
Underwriting commission	:	7.07% of the aggregate subscription amount in respect of the Underwritten Shares
Basis of underwriting	:	On a fully underwritten basis
Public float	:	The Underwriter shall ensure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

The Underwriter is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent of the Company and its connected persons. As at the Latest Practicable Date, the Underwriter was not interested in any Shares. The Underwriter confirmed that it has complied with Rule 10.24A(1) of the GEM Listing Rules.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter with reference to, the existing financial condition of the Group, the size of the Rights Issue, the prevailing market practice conducting the rights issue exercise and the current and expected market condition.

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The Directors note that it is not common market practice for rights issue to be conducted on a fully-underwritten basis, as this generally entails a higher risk and commitment for underwriter to secure target fund raising amount, warranting higher compensation. As such, the Directors have conducted market research based on the following selection criteria: (i) the proposed rights issues announced during the period from 8 August 2024 up to and including the Latest Practicable Date; (ii) the rights issues were conducted on fully underwritten basis; and (iii) the rights issues were not lapsed or terminated. The Directors, on a best effort basis, have noted and reviewed 7 similar issues (“**Similar Issues**”) that are exhaustive based on the aforesaid criteria, despite the subject companies constituting may have different principal activities, market capitalisation, trading volume, profitability and financial position as compared with those of the Company, and different reasons for their respective fundraising activities.

Table 1

Announcement date	Company name	Stock code	Basis for entitlement	Premium/ (Discount) of the subscription price over/to the latest net asset value per share	Underwriting commission	Fully Underwritten
02/06/2025	Lvji Technology Holdings Inc.	1745	1 for 2	(72.6)%	7.07%	Yes
22/05/2025	China Health Group Limited	673	3 for 10	12.4% (note 3)	N/A (note 1)	Yes
15/05/2025	Zhongzheng International Company Limited	943	1 for 2	(54.5)%	N/A (note 1)	Yes
02/02/2025	CSI Properties Limited	497	18 for 10	(93.54)%	2%	Yes
19/11/2024	Rare Earth Magnesium Technology Group Holdings Limited	601	1 for 2	(86.91)%	7.07%	Yes
23/09/2024	Hatcher Group Limited	8365	3 for 1	(94.1)%	N/A (note 1)	Yes
13/09/2024	Dragon Rise Group Holdings Limited	6829	1 for 1	(89.2)%	2%	Partially underwritten (Note 2)
Average				(81.8)%		

Notes:

1. There is no underwriting commission as the underwriter is the substantial shareholder of the Company, and therefore the Directors considered such issue should be excluded from analysis.
2. As this rights issue is partially underwritten, the Directors considered such issue should be excluded from analysis.
3. Based on the then latest published annual report as at 31 March 2025 prior to the date of circular in relation to the relevant rights issue transaction, the subject company recorded net liabilities attributable to the owners of the Company. As such, the Directors considered that such ratio should be excluded from analysis.

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As shown in Table 1 above, the Directors noted that the underwriting commissions for these Similar Issues announced between 8 August 2024 and the Latest Practicable Date ranged from 2% to 7.07%. Accordingly, the underwriting commission of 7.07% is charged by the Underwriter, which is no less favourable to the Company as compared with other listed issuers in the market. As such, the Director is of the view that the underwriting commission charged by the Underwriter is in line with the market practice and is acceptable.

Further, the Directors notes that the underwriting commission of 7.07% was the normal rate charged by the Underwriter in other rights issue exercises underwritten by the Underwriter. Details of such other cases are as follows:

Table 2

Company name (stock code)	Date of underwriting agreement	Amounts raised from the rights issue before expenses	Basis of underwriting	Underwriting commission	Effective interest rate of bank and other borrowing ⁽¹⁾⁽³⁾
Palinda Group Holdings Limited (stock code: 8179)	28 April 2022	Approximately HK\$29.3 million	Fully underwritten	7.07% of the total subscription price of the rights shares	6.07% – 8.0%
China Wantian Holdings Limited (stock code: 1854)	11 April 2023	Approximately HK\$111.4 million	Fully underwritten	7.07% of the total subscription price of the rights shares	5.92%
Wisdomcome Group Holdings Limited (stock code: 8079)	15 August 2023	Approximately HK\$70.0 million	Fully underwritten	7.07% of the total subscription price of the rights shares	N/A
Rare Earth Magnesium Technology (stock code: 601)	1 September 2023	Approximately HK\$16.6 million	Fully underwritten	7.07% of the total subscription price of the rights shares	7.39%
Aidigong Maternal & Child Health Ltd. (stock code: 286)	20 March 2024	Approximately HK\$62.1 million	Fully underwritten	7.07% of the total subscription price of the rights shares	6.74%
Guoen Holdings Limited (stock code: 8121)	21 February 2024	Approximately HK\$17.3 million	Fully underwritten	7.07% of the total subscription price of the rights shares	N/A
Lvji Technology Holdings Inc. (stock code: 1745)	2 June 2025	Approximately HK\$151.8 million	Fully underwritten	7.07% of the total subscription price of the rights shares	5.26%-5.81% ⁽²⁾

Notes:

1. Based on the latest Annual Report from the listed companies.
2. The fixed interest rate of bank borrowing of Lvji was 3.45%-4.0%. It did not include the finance charges to the bank borrowing amounted to approximately RMB1.7 million, which is equivalent to 1.81% of the bank borrowings of RMB92.2 million. As such, the Directors consider that the effective interest rate should include such finance charges and the effective interest rate of Lvji should be 5.26%-5.81% instead for comparison purposes.
3. “N/A” denotes that there were no bank borrowing for the subject companies.

LETTER FROM THE BOARD

Accordingly, the Directors consider that the underwriting commission charged by the Underwriter is no less favourable to the Company than the commissions the Underwriter charges other listed issuers in the market. The Directors further considers that the underwriting commission of 7.07% is fair and reasonable, having regard to the following factors: (i) the Company has conducted thorough due diligence on the Underwriter's track record in rights issue transactions and is satisfied with its ability to discharge its underwriting obligations in respect of the Rights Issue; (ii) the Company has confidence in the Underwriter's reputation and influence in the Hong Kong capital market, which is expected to contribute positively to the success of the fund-raising exercise; and (iii) taking into account the financing costs borne by small-to-medium-sized listed companies, as shown in table 2 above, the underwriting commission of 7.07% is at the top end of the range of the effective interest rate of bank and other borrowing from 5.26% to 8%, the agreed commission rate is considered commercially acceptable and aligned with market conditions.

The Directors (including the independent non-executive Director) consider that the terms of the Underwriting Agreement, including the commission and expenses charged, are fair and reasonable and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Underwriting Agreement, the Underwriter unconditionally and irrevocably undertakes to the Company that in the event the Underwriter is called upon to subscribe or procure subscription of the Underwritten Shares pursuant to the Underwriting Agreement:

- (a) without affecting the Underwriter's obligation to underwrite all the Underwritten Shares under the Underwriting Agreement, whether to underwrite the same by itself or procure sub-underwriting of the same, the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert with it in the Company to trigger a mandatory offer obligation under rule 26 of the Takeovers Code on the part of the Underwriter and parties acting in concert with it upon completion of the Rights Issue;
- (b) the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters, subscribers and purchasers of the Underwritten Shares procured by it: (i) shall be third party independent of, not acting in concert with, and not connected with the Company, any of the Directors, chief executives or substantial shareholders of the Company or their respective associates (as defined under the Listing Rules); and (ii) shall not, together with any party acting in concert with such sub-underwriter, subscriber or purchaser, hold such number of Shares which will trigger a mandatory offer obligation under rule 26 of the Takeovers Code on the part of such sub-underwriter, subscriber or purchaser and parties acting in concert with such sub-underwriter, subscriber or purchaser upon completion of the Rights Issue; and
- (c) the Underwriter shall use its best endeavours to procure that minimum public float requirement under the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

LETTER FROM THE BOARD

The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

The Underwriter has further undertaken to the Company that, other than the transactions contemplated under the Underwriting Agreement and as disclosed in the Announcement and/or as disclosed in the Prospectus Documents, unless with the prior consent of the Company, the Underwriter and its associates shall not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (i) the sub-underwriting of the Rights Shares; and/or (ii) the subscription of the Underwritten Shares not taken up, so long as such transactions are in compliance with applicable laws and regulations.

Subject to the fulfilment of all the conditions set out in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription for the Underwritten Shares pursuant to the terms and conditions of the Underwriting Agreement.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the paragraph headed “Conditions of the Rights Issue” under the section headed “Rights Issue” above in this Prospectus.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of certain events. For details, please refer to the section headed “Termination of the Underwriting Agreement” above in this Prospectus.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had 73,265,237 Shares in issue. The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Rights Shares are subscribed for by the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and the Rights Shares underlying all the Untaken Rights are subscribed for by or through the Underwriter, assuming no change in the number of Shares in issue from the Latest Practicable Date to immediately after completion of the Rights Issue, for illustrative purposes only:

	Immediately after completion of the Rights Issue					
	As at the Latest Practicable Date		Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights shares are subscribed by the Qualifying Shareholders and the Rights Shares underlying all the Untaken Rights are subscribed by or through the Underwriter ^(Note 1)	
					Number of issued Shares	%
	Number of issued Shares	%	Number of issued Shares	%	Number of issued Shares	%
Mr. ZHANG Rong (“Mr. Zhang”) ^(Note 2)	19,084,299	26.05	26,240,911	26.05	19,084,299	18.94
Mr. WONG King Shiu, Daniel (“Mr. Wong”) ^(Note 3)	669,550	0.91	920,631	0.91	669,550	0.66
JStage Technology Limited (“JStage Technology”) ^(Note 4)	11,500,000	15.70	15,812,500	15.70	11,500,000	11.42
Public Shareholders						
– The Underwriter ^(Note 5)	–	–	–	–	27,474,463	27.27
– Other public Shareholders	42,011,388	57.34	57,765,658	57.34	42,011,388	41.71
Total	73,265,237	100.00	100,739,700	100.00	100,739,700	100.00

LETTER FROM THE BOARD

Notes:

1. Assuming no excess applications are made by the Qualifying Shareholders.
2. These 19,084,299 Shares comprise 15,949,499 Shares beneficially owned by Mr. Zhang and 3,134,800 Shares held by Corporate Advisory Limited, which is wholly owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory Limited has, or deemed to have an interest.
3. Mr. Wong is an executive Director, chairman and chief executive officer of the Company.
4. JStage Technology is held by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70%, respectively. Pursuant to Part XV of the SFO, Mr. Ngan Chiu Fai and Ms. Shih Mei Ling are deemed to be interested in all Shares in which JStage Technology has, or is deemed to have, an interest under the SFO.
5. In the event that the Underwriting Agreement becomes unconditional and the Underwriter is called upon to subscribe for or procure subscription of the Underwritten Shares pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that:
 - (a) without affecting the Underwriter's obligation to underwrite all the Underwritten Shares (whether to underwrite the same by itself or to procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue;
 - (b) the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters, subscribers and purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company and any of its connected persons (as defined in the GEM Listing Rules); and (ii) shall not, together with any party acting in concert (within in the meaning of the Takeovers Code) with it, hold such number of Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue; and
 - (c) the Underwriter shall ensure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.
6. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company and the Underwriter will closely monitor the daily report provided by the Registrar indicating the daily level of acceptance during the period from the Prospectus Posting Date to the Latest Time for Acceptance. Where required, the Underwriter will take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 11.23(7) of the GEM Listing Rules, including procuring the subscription for the Underwritten Shares. The Underwriter shall ensure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, rental of properties and securities trading.

As stated in the interim results of the Group for the six months ended 30 June 2025, the Group recorded a net loss of approximately HK\$55.9 million for the six months ended 30 June 2025 as compared to a net loss of approximately HK\$7.9 million for the six months ended 30 June 2024. Based on the interim results of the Group for the six months ended 30 June 2025, the Group had bank and cash balances of approximately HK\$1.55 million as at 30 June 2025. As at 30 June 2025, the Group had current assets of approximately HK\$58.17 million and current liabilities of approximately HK\$55.81 million. As (i) the current bank and cash balances of the Group is insufficient to meet the estimated average monthly operating cash required by the Group of approximately HK\$3 million; and (ii) the Company will not proceed with the Subscription, which was supposedly conducted for fundraising purpose, as stated in the announcement of the Company dated 12 August 2025 in relation to the updates on the Subscription, the Group's management believes that it is essential to replenish the working capital of the Group in order to drive its businesses for a sustainable development and thus is imperative to conduct the Rights Issue to raise funds to support its business operations.

The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$32.05 million. The Company intends to use the net proceeds from the Rights Issue for the general working capital of the Group for the coming 18 months, with the detailed allocation set out below:

Intended use of net proceeds	Percentage of allocation (Approximately)	Net proceeds from the Rights Issue of (HK\$'000)
Rental and building management fee	11.23%	3,600
Salaries	84.24%	27,000
Repayment of professional fees and other administrative expenses	4.53%	1,450
Total	100.00%	32,050

Besides, the Board is of the view that with the general working capital of the Group to be replenished by the net proceeds from the Rights Issue, the Group will also have the flexibility to utilise its resources on hand to strengthen its business competitiveness as well as its capital base for the purpose of capturing suitable investment opportunities as and when they arise. As at the Latest Practicable Date, no suitable investment opportunities has been identified by the Group.

LETTER FROM THE BOARD

Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares so as to encourage the Shareholders to participate in the Rights Issue and reduce the possible dilution of approximately 27.27% to the shareholding of the existing Shareholders in case they decide not to take up their entitlements under the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective shareholdings in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view 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 should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.**

The Board considers it to be prudent to finance the Group's long-term growth by way of long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered alternative fund-raising alternatives before resolving to the Rights Issue, including debt financing and equity financing such as placing of new Shares and open offer. With respect to debt financing, the Board is of the view that debt financing is not desirable as it will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations, which will have a negative impact on the profitability of the Group in the future. Besides, the Company may not be able to secure debt financing on favourable terms in a timely manner from banks, the Directors consider that this is the case in view of the Group's loss making position for the latest financial year and the six months ended 30 June 2025 and the decrease in net current asset as at the latest financial year end as compared with that of the last financial year end, as these are typical financial metrics on which key terms of obtaining debt financing from sizeable financial institutions like banks would depend. In addition, the Company is reluctant to obtain additional short-term financing from smaller financial institutions which, to the knowledge of the Directors based on their understanding of the general market condition, generally charge higher interest rates, and taking into account the debt financing costs and the Group's loss-making position for the latest financial year and the six months ended 30 June 2025, the Board considers it is not practicable or commercially viable to obtain borrowings of the same size as the amount raised from the Rights Issue in favourable terms in a relatively short period of time. Furthermore, equity financing will also improve the capital structure of the Company without incurring debts and interest payments and enhance its financial position, which in turn will support the Company's continuing development and business growth. Hence, equity financing is a better and more viable option than debt financing for the Company. With respect to equity financing, the Board considers that placing of new Shares would be less favourable, as it is relatively smaller in scale as compared to fund raising through a rights issue. Also, it would inevitably lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them an opportunity to participate in the enlarged capital base of the Company. As for open offer, while it is similar to a rights issue in that Qualifying Shareholders are offered an opportunity to participate, unlike a rights issue, it does not allow free trading of rights entitlements in the open market. Therefore, the Board considers that the Rights Issue would be more favourable as it would allow the Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

LETTER FROM THE BOARD

The Board considers that the Rights Issue 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 shareholdings in the Company by taking up only their respective rights entitlements, acquiring additional rights entitlements or disposing of their rights entitlements in the open market, subject to availability.

In view of the above, the Board considers that raising funds by way of the Rights Issue is beneficial to the Company and the Shareholders as a whole.

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the Outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Outstanding Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made, if any, pursuant to the terms of the Share Option Scheme and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). As at the date of this Prospectus, there are 5,373,213 unexercised share options granted by the Company pursuant to the Share Option Schemes, all of which are exercisable on or before the Record Date (the “**Outstanding Share Options**”). The Outstanding Share Options are exercisable into 5,373,213 Shares. No Shares had been allotted and issued arising from the exercise of the Outstanding Share Options on or before the Latest Practicable Date, which is after the commencement of the book closure period. Details of the Outstanding Share Options as at the Latest Practicable Date granted under the Share Option Schemes are set out below:

LETTER FROM THE BOARD

2012 Share Option Scheme

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
SUBSTANTIAL SHAREHOLDER						
Mr. Zhang	Substantial shareholder	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	25,730
	Sub-total:					<u>25,730</u>
DIRECTORS						
Mr. Wong	Executive Director (“ED”), chairman and chief executive officer	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	343,000
WONG Hoi Kuen	Independent non-executive Director	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	34,000
CHEN Shengrong	Independent non-executive Director	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	34,000
FORMER DIRECTOR						
CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	267,374
		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	73,000
	Sub-total:					<u>751,374</u>

LETTER FROM THE BOARD

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
EMPLOYEES						
Batch A		2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	234,930
Batch B		2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	184,588
Batch C		2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	1,246,255
Batch D		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	165,000
Batch E		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	310,000
Batch F		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	343,000
Sub-total:						2,483,773
CONSULTANTS						
WEI Qi	AI consultant	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	237,168
WEI Guokang	Data center construction consultant	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	237,168
HUANG Jiehuan	Consultant (algorithm)	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	100,000
Sub-total:						574,336
TOTAL:						3,835,213

LETTER FROM THE BOARD

2023 Share Option Scheme

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
DIRECTORS						
Mr. Wong	Executive Director, chairman and chief executive officer	3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	272,000
Hon. LI Sai Wing, MH, JP	Non-executive Director	3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	200,000
FORMER DIRECTOR						
CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	274,000
Sub-total:						746,000
EMPLOYEES						
Batch A		3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	180,000
Batch B		3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	612,000
Sub-total:						792,000
TOTAL:						1,538,000

LETTER FROM THE BOARD

RISK FACTORS

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. To their best of knowledge and belief, the Directors consider that the followings are the key risks and uncertainties identified by the Group as at the Latest Practicable Date:

Risks relevant to the Group's business

Market competition and innovation risk

The internet and technology industries are highly competitive with rapid product updates and replacements, and the development of AI-related technologies is progressing rapidly. The development of technologies brings evolutionary changes to the existing business models and brings in more new players into the market. The existing market competition landscape may face major changes. Therefore, how to promote innovative and sustainable social values through innovation in technology, product and business model is one of the key challenges of the Company. If the Group is unable to continue to achieve innovation in technology, product and business model, the Group's existing business and future growth potential may be adversely affected.

Regulatory and compliance risk

As the Group continuously expands its businesses, the Group must abide by and comply with the relevant applicable laws and regulations in different jurisdictions, including but not limited to laws and regulations relating to privacy and data protection and labour protection and continue to pay attention to changes in industry laws and regulations. In addition, changes in international circumstances may affect the development of global policies and regulations and impact the development of various industries across different regions. If the Group fails to comply with the evolving legal regime, particularly those relating to privacy and data protection and labour protection, the Group may be subject to penalties, rectification orders, substantial fines, potentially significant monetary damages or suspensions in the Group's business operations.

Risks relevant to the macro environment which may affect the Group's business

Foreign Exchange Rates Risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Price Risk

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

LETTER FROM THE BOARD

Risk relevant to the Group itself

Liquidity Risk

Liquidity risk is the potential risk that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the Latest Practicable Date, Mr. Zhang (and also through Corporate Advisory Limited as his controlled corporation), Mr. Wong and JStage Technology, directly and indirectly, owns 19,084,299, 669,550 and 11,500,000 Shares, representing approximately 26.05%, 0.91% and 15.70% of the issued share capital of the Company, respectively. As such, each of Mr. Zhang, Mr. Wong and JStage Technology is a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules. According to Rule 20.90(2)(a) of the GEM Listing Rules, the issue of the Rights Shares to each of Mr. Zhang, Mr. Wong and JStage Technology according to their pro-rata entitlement under the Rights Issue constitutes an exempt connected transaction of the Company.

As the Rights Issue will not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of the announcement and the Rights Issue is fully underwritten by the Underwriter, who is not a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to the Shareholders' approval under Rule 10.29(1) of the GEM Listing Rules. In addition, as the Rights Issue will not result in a theoretical dilution effect of 25% or more, the Rights Issue is therefore also not subject to the Shareholders' approval under Rule 10.44A of the GEM Listing Rules.

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

Shareholders and potential investors of the Company should note that the Underwriter has the right in certain circumstances to terminate the Underwriting Agreement in accordance with the terms thereof, a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" in this Prospectus. Accordingly, the Rights Issue may or may not proceed.

Any Shareholders or other persons dealing or contemplating dealing in the Shares and/or the Rights Shares in nil-paid form up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Shares have been dealt in on an ex-rights basis from Tuesday, 2 September 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 15 September 2025 to Monday, 22 September 2025 (both dates inclusive).

LETTER FROM THE BOARD

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares in nil-paid form. Any Shareholders or other persons dealing or contemplating dealing in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the Subscription with which the Company did not proceed, the Company has not conducted any equity fund raising activity in the past twelve months immediately preceding the Latest Practicable Date. For further details of the updates on the Subscription, please refer to the announcement of the Company dated 12 August 2025.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By order of the Board
China Information Technology Development Limited
Wong King Shiu, Daniel
Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION

The consolidated financial information of the Group for the three years ended 31 December 2024 and the six months ended 30 June 2025, together with the notes thereto, have been published in the annual reports and the interim report of the Company below:

- (i) the annual report of the Company for the year ended 31 December 2022 published on 30 March 2023, from pages 54 to 128 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000765.pdf>);
- (ii) the annual report of the Company for the year ended 31 December 2023 published on 29 April 2024, from pages 65 to 142 (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0429/2024042902390.pdf>);
- (iii) the annual report of the Company for the year ended 31 December 2024 published on 7 April 2025, from pages 64 to 166 (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0407/2025040701865.pdf>); and
- (iv) the interim report of the Company for the six months ended 30 June 2025 published on 29 August 2025, from pages 13 to 38 (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0829/2025082900943.pdf>).

The said annual reports and interim report of the Company are also available on the Company's website at www.citd.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

2. STATEMENT OF INDEBTEDNESS

Indebtedness

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this circular, the Group had the following outstanding indebtedness.

HK\$'000

Current liabilities

Lease liabilities – unsecured and unguaranteed	2,018
Bank Loans – secured and guaranteed (<i>note i</i>)	33,278
	<hr/>
	35,296

Non-current liabilities

Lease liabilities – unsecured and unguaranteed	1,809
Other Loans – unsecured and unguaranteed (<i>note ii</i>)	25,863
Bonds – unsecured and unguaranteed (<i>note iii</i>)	4,979
	<hr/>
	32,651
	<hr/>
	67,947

Notes:

- (i) The bank loans of the Group were secured by the Group's investment properties and guaranteed by China Information Technology Development Limited and an independent third party.
- (ii) Other Loans of approximately HK\$20,735,000 were unsecured, interest free and repayable within twelve months.

The remaining of other loans amounted to approximately HK\$5,128,000 were unsecured, interest-bearing at ranging from 13.8% to 15% per annum and repayable in 2028.
- (iii) The Company issued the zero coupon bonds at an aggregate principal amount of HK\$100 million with interest rate of 3.73% per annum on 12 July 2023 for a term of 30 years. Such bonds were unsecured. As the market response was modest after such bonds had been issued, such bonds were under-subscribed. Such bonds with a principal amount of HK\$24.75 million offered at a discount to face value of approximately 66.66% were subscribed by an independent third party. For further details, please refer to the inside information announcement of the Company dated 23 June 2023 in relation to proposed issue of bonds. The Group received approximately HK\$8,252,000 from such third party in respect of the aforesaid bond subscription. The initial fair value of the bonds was approximately HK\$4,426,000 as at 12 July 2023, which is amortised over 30 years. As at 31 July 2025, the fair value of the bonds was approximately HK\$4,979,000 which is determined with the bond yield of 5.91%.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal payables and accruals in the ordinary course of business, the Group did not have any outstanding debt securities, liabilities under acceptance, acceptance credit, hire purchase, mortgages or charges, bank overdrafts or loans, or other similar indebtedness, guarantees, material capital commitment or other material contingent liabilities outstanding as at the close of business on 31 July 2025.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the estimated net proceeds from the Right Issue and the present financial resources, including internally generated funds and existing banking facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus in the absence of unforeseeable circumstances.

As at the Latest Practicable Date, the Company has obtained a working capital sufficiency conformation letter from its auditor.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, rental of properties and securities trading.

For the six months ended 30 June 2025, the Group recorded a revenue of approximately HK\$20,846,000, representing an increase of approximately 3.9% from approximately HK\$20,068,000 for the corresponding period of last year. During the six months ended 30 June 2025, the trading of computer hardware and software was slightly increased. The Group's loss attributable to owners of the Company was approximately HK\$55,625,000 for the six months ended 30 June 2025. As at 30 June 2025, the Group had total assets of approximately HK\$278,863,000 with cash and bank balances of approximately HK\$1,553,000. As at 30 June 2025, the Group had total liabilities of approximately HK\$88,774,000 with total borrowings amounted to approximately HK\$64,137,000. The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.34.

Facing the challenging market condition of the rising geopolitical conflicts and tensions and the high interest rate, during the Period, the business of the Group was affected by the economic volatility, the Company will keep its prudent approach while broadening the income stream of the Group. The Company shall continue like United Arab Emirates ("UAE") through localized AI solutions and blockchain partnerships to diversify its revenue streams and mitigate risks associated with fluctuations in the domestic market. The Group is more equipped to pivot its services to offer dynamic engagement frameworks tailored to clients' evolving financial priorities. This flexibility not only retained high-value clients during economic uncertainty but also unlocked new opportunities in niche markets previously underserved by traditional models. The Company has established an intellectual property portfolio focused on artificial intelligence applications across multiple industries. With the experience and AI technology applied in train bogie maintenance jointly developed by DataCube and a public transportation company, the Company has been liaising with various business partners in different areas like UAE and Egypt, for projects utilizing AI for predictive maintenance and optimization of air traffic management, airport train safety. The Group also deliberated a vessel traffic management system which is a sophisticated maritime surveillance and management system that helps monitor and regulate vessel traffic in busy waterways or ports.

Apart from that, the Group has also been coordinating with client on leveraging data analysis to monitor crop size and health through data collection and augmentation. The data will be further governed and analyzed for predictive cultivation environment control. These technologies shall improve efficiency and productivity and reduce operational cost of the potential clients. The Company will be committed to making appropriate business and investment decisions as and when appropriate in light of the Company's business plan and the market conditions to create greater value to the Company and its Shareholders.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE LIABILITIES

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”) to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 June 2025 and taking into account certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 June 2025 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025, as extracted from the Group’s unaudited condensed consolidated statement of financial position as at 30 June 2025 included in the published interim report of the Company for the six months ended 30 June 2025, and is adjusted for the effect of the Rights Issue described below.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 per share <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 per share immediately after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 27,474,463 Rights Shares to be issued at the Subscription Price of HK\$1.29 per Rights Share	180,166	32,049	212,215	2.4591	2.1066

Notes:

- (1) The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2025 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 set out in the published interim report of the Company, which is based on the unaudited consolidated net assets of the Group attributable to the owners of the Company of approximately HK\$200,979,000, after deducting the goodwill and other intangible assets of approximately HK\$19,556,000 and HK\$1,257,000 respectively, as at 30 June 2025.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$32,049,000 are based on 27,474,463 Rights Shares to be issued at the subscription price of HK\$1.29 per Rights Share after deducting all necessary estimated expenses of approximately HK\$3,393,000 which are directly attributable to the Rights Issue, pursuant to the Rights Issue, assuming that the Rights Issue has been completed on 30 June 2025.
- (3) The calculation of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 per share is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$180,166,000 divided by 73,265,237 Shares in issue as at 30 June 2025.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 per share immediately after the completion of the Rights Issue is arrived at based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 immediately after completion of the Rights Issue of approximately HK\$212,215,000 divided by 100,739,700 Shares which comprise of 73,265,237 Shares in issue as at 30 June 2025 and 27,474,463 Rights Shares to be issued assuming that the Rights Issue has been completed on 30 June 2025.
- (5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from Prism Hong Kong Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.



We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Information Technology Development Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2025 and related notes as set out in Part A of Appendix II of the prospectus issued by the Company dated 11 September 2025 (the “**Prospectus**”) in connection with the proposed rights issue of the Company (the “**Unaudited Pro Forma Financial Information**”) on the basis of three rights shares for every eight existing shares held on the record date on a fully underwritten basis (the “**Rights Issue**”). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group's financial position as at 30 June 2025 as if the Rights Issue had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's unaudited condensed consolidated financial statement for the six months ended 30 June 2025 date 26 August 2025, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 the GEM Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Rules.

Prism Hong Kong Limited

Certified Public Accountants

Dai Tin Yau

Practising certificate number: P06318

Hong Kong, 11 September 2025

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The following sets out the authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no change in the number of Shares in issue from the Latest Practicable Date up to the completion of the Rights Issue other than as a result of the issue of the Rights Shares):

(a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>12,000,000,000</u>	Shares	<u>1,200,000,000</u>
<i>Issued and full-paid:</i>		
<u>73,265,237</u>	Shares in issue	<u>7,326,523.7</u>

(b) Immediately following completion of the Rights Issue (assuming no change in the number of Shares in issue from the Latest Practicable Date up to the completion of the Rights Issue other than as a result of the issue of the Rights Shares)

<i>Authorised:</i>		<i>HK\$</i>
<u>12,000,000,000</u>	Shares	<u>1,200,000,000</u>
<i>Issued and full-paid:</i>		<i>HK\$</i>
73,265,237	Shares in issue as at the Record Date	7,326,523.7
<u>27,474,463</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>2,747,446.3</u>
<u>100,739,700</u>	Shares in issue immediately after the completion of the Rights Issue	<u>10,073,970</u>

As at the Latest Practicable Date, save for the Outstanding Share Options granted under the Share Option Schemes with details set out below, the Company had no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

Details of the Outstanding Share Options are set out below:

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
SUBSTANTIAL SHAREHOLDER						
Mr. Zhang	Substantial shareholder	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	25,730
	Sub-total:					<u>25,730</u>
DIRECTORS						
Mr. Wong	Executive Director ("ED"), chairman and chief executive officer	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	343,000
WONG Hoi Kuen	Independent non- executive Director	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	34,000
CHEN Shengrong	Independent non- executive Director	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	34,000
FORMER DIRECTOR						
CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	267,374
		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	73,000
	Sub-total:					<u>751,374</u>

APPENDIX III

GENERAL INFORMATION

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
EMPLOYEES						
Batch A		2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	234,930
Batch B		2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	184,588
Batch C		2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	1,246,255
Batch D		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	165,000
Batch E		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	310,000
Batch F		1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	343,000
Sub-total:						2,483,773
CONSULTANTS						
WEI Qi	AI consultant	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	237,168
WEI Guokang	Data center construction consultant	2.19	13 May 2021	N/A	13 May 2021 to 12 May 2031	237,168
HUANG Jiehuan	Consultant (algorithm)	1.40	16 June 2022	N/A	16 June 2022 to 15 June 2032	100,000
Sub-total:						574,336
TOTAL:						3,835,213

2023 Share Option Scheme

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
DIRECTORS						
Mr. Wong	Executive Director, chairman and chief executive officer	3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	272,000
Hon. LI Sai Wing, MH, JP	Non-executive Director	3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	200,000
FORMER DIRECTOR						
CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	274,000
Sub-total:						746,000
EMPLOYEES						
Batch A		3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	180,000
Batch B		3.42	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	612,000
Sub-total:						792,000
TOTAL:						1,538,000

Save as disclosed above, as at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option.

All the issued Shares rank pari passu with each other in all respects, including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank pari passu with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company did not have any treasury shares.

The issued Shares are listed on the Stock Exchange. No part of the equity and debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any stock exchanges other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. Accordingly, there are no dealing and settlement arrangements for the securities of the Company between the Stock Exchange and any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and the Company's associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to sections 324 and 347 of the SFO or the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and the underlying Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held	Number of underlying Shares pursuant to share options ¹	Total	Approximate percentage of shareholding
Mr. Wong	Beneficial owner	669,550	615,000	1,284,550	1.75%
Hon. LI Sai Wing, <i>MH, JP</i>	Beneficial owner	–	200,000	200,000	0.27%
WONG Hoi Kuen	Beneficial owner	–	34,000	34,000	0.05%
CHEN Shengrong	Beneficial owner	–	34,000	34,000	0.05%

Notes:

- These underlying Shares represent the interests of share options granted to each of the above named Directors under the Share Option Schemes to subscribe for Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to sections 324 and 347 of the SFO or the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company

So far as known to the Directors, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had or were taken or deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares and the underlying Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares held	Approximate percentage of shareholding
Mr. Zhang	Beneficial owner	15,975,229	21.81%
	Interest in controlled corporation ¹	3,134,800	4.28%
JStage Technology ²	Beneficial owner	11,500,000	15.70%
Mr. LAM Shu Chung	Beneficial owner	3,801,300	5.19%
Ms. CHOI Hing Lin Lori ("Ms. Choi") ³	Interest of spouse	3,801,300	5.19%

Notes:

1. The 3,134,800 Shares are held by Corporate Advisory, which is wholly-owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.
2. JStage Technology is held by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70%, respectively. Pursuant to Part XV of the SFO, Mr. Ngan Chiu Fai and Ms. Shih Mei Ling are deemed to be interested in all Shares in which JStage Technology has, or is deemed to have, an interest under the SFO.
3. Ms. Choi is the spouse of Mr. Lam, and therefore deemed to have an interest on the Shares in which Mr. Lam has, or deemed to have, an interest under the SFO.

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DISCLOSURE OF OTHER INTERESTS

(a) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

(b) Competing interests

As at the Latest Practicable Date, none of the Directors, controlling shareholders of the Company and their respective close associates had any interest in any business which competes or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group that need to be disclosed pursuant to the GEM Listing Rules.

(c) Directors' interests in contracts and assets

As at the Latest Practicable Date, (1) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group; and (2) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business	Unit 3308, 33/F. Millennium City 6 392 Kwun Tong Road Kwun Tong, Hong Kong
Underwriter	RaffAello Securities (HK) Limited 1/F, E168 166-168 Des Voeux Road Central Hong Kong
Legal advisers to the Company in relation to the Rights Issue	<i>As to Hong Kong law:</i> Bird & Bird Solicitors, Hong Kong 6/F, The Annex, Central Plaza 18 Harbour Road Wanchai, Hong Kong
Financial adviser to the Company	RaffAello Capital Limited Room 902, 9th floor, Wing Fu Building, Nos. 18-24 Wing Kut Street, Central, Hong Kong
Auditor and reporting accountants	Prism Hong Kong Limited <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> Units 1903-1905, 19/F 8 Observatory Road Tsim Sha Tsui Hong Kong

Principal bankers

**The Hongkong and Shanghai
Banking Corporation Limited**
China Insurance Group Building,
141 Des Voeux Road Central,
Sheung Wan, Hong Kong

Public Bank (Hong Kong) Limited
Public Bank Centre,
120 Des Voeux Road Central,
Central, Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

**Principal share registrar and
transfer office in the Cayman Islands**

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman KY1-1100
Cayman Islands

**Branch share registrar and
transfer office in Hong Kong**

**Computershare Hong Kong Investor
Services Limited**
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai Hong Kong

Authorised representatives

Mr. Wong King Shiu, Daniel
Unit 3308, 33/F., Millennium City 6,
392 Kwun Tong Road,
Kwun Tong, Hong Kong

Ms. Lam Mei Wai Michelle
Unit 3308, 33/F., Millennium City 6,
392 Kwun Tong Road,
Kwun Tong, Hong Kong

Company secretary

Ms. Lam Mei Wai Michelle
ACG HKACG

6. MATERIAL CONTRACTS

During the two years immediately preceding the date of this Prospectus, the following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by members of the Group which are or may be material:

- (a) the sale and purchase agreement dated 19 June 2025 entered into between Guangzhou Xinfeng Investment Consultancy Company Limited* (廣州信豐投資諮詢有限公司) and Guangdong Xinjingsheng Industrial Investment Co., Ltd.* (廣東新景晟產業投資有限公司) (the “**Vendor**”) in relation to the disposal of all buildings erected on the piece of land known as No. 123, Lu Jing Road, Tianhe District, Guangzhou City (廣州市天河區麓景路123號) (the “**Property**”) by the Vendor at the consideration of RMB150,000,000, such agreement was terminated on 30 July 2025, for details, please refer to the announcement of the Company dated 30 July 2025 in relation to the termination of major transaction in respect of the disposal of the Property;
- (b) the subscription agreement dated 7 November 2024 entered into between the Company and A M K M INVESTMENTS L.L.C. in relation to the Subscription at the subscription price of HK\$6.31 per subscription share, the Subscription contemplated under such agreement was not proceeded, for details, please refer to the announcement of the Company dated 12 August 2025 in relation to the update on subscription of new shares under general mandate; and
- (c) the Underwriting Agreement.

7. CLAIMS AND LITIGATION

The Vendor, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, has filed a lawsuit against Guangzhou City Jiayi Seniors Care Co. Ltd.* (廣州市嘉怡頤養院有限公司) (“**Guangzhou Jiayi**”) with the Guangzhou Yuexiu District People’s Court* (廣州市越秀區人民法院) on 22 January 2025 to terminate the lease agreement entered into between the Vendor and Guangzhou Jiayi in respect of the Property and to reclaim the outstanding rent and the leased premises. As at the Latest Practicable Date, the lawsuit was under trial and the leased premises was still occupied by Guangzhou Jiayi.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim of material importance to the Group and no litigation, arbitration or claim of material importance to the Group was known to the Directors to be pending or threatened against any member of the Group.

8. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Directors

(a) Name

Executive Directors

Mr. Wong King Shiu, Daniel
(Chairman and Chief Executive Officer)
 Mr. Chu Joshua Allen Kiu Wah
 Mr. So Han Meng Julian

Non-executive Director

Hon. Li Sai Wing, *MH, JP*
 Ms. Leung Kar Ming, *MH*

Independent non-executive
Directors

Mr. Wong Hoi Kuen
 Dr. Chen Shengrong
 Mr. Chu Wun Chiu

(b) Qualification and position held

Executive Directors

Mr. WONG King Shiu, Daniel (“Mr. Daniel Wong”), aged 65, has been appointed as the chairman of the Board and chief executive officer of the Company with effect from 25 November 2019. He was the authorised representative and the process agent of the Company with effect from 12 November 2020 to 31 March 2021. He has been re-appointed as the authorized representative of the Company again on 28 June 2024.

He has over 13 years of experience in natural resources industry and served as an executive director in a various natural resources company which is listed in Hong Kong. He also has extensive experience in the management and development of natural resources projects in China. He was an independent non-executive director of Huisheng International Holdings Limited (Stock Code: 1340) from 7 June 2016 to 30 June 2022. Mr. Daniel Wong joined the Group on 16 August 2017. He has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, please refer to the paragraph headed “3. Disclosure of Interests” in Appendix III to this Prospectus for details.

Mr. CHU Joshua Allen Kiu Wah (“Mr. Chu”), aged 38, has been appointed as the executive Director with effect from 28 June 2024. He is a qualified lawyer and law lecturer in Hong Kong. In addition to his legal role, Mr. Chu is also currently serving as Senior Consultant with Prosynergy. With a broad and extensive practice covering dispute resolution, cybersecurity, and technology law, Mr. Chu has led a number of notable cases in Hong Kong including obtaining the jurisdiction’s first Court Order for service via data room in *Hwang Joon Sang & Anor v. Golden Electronics Inc. & Ors* [2020] HKCFI 1084, appearing as co-advocate in *Chan Wing Yan and Anor. v. JP-EX Crypto Asset Platform Pty Ltd and Others* [2024] HKDC 1628 and more recently, spearheading efforts to deploy tokenized injunction order.

Aside from his professional roles, Mr. Chu also serves as the current Co-Chair of the Hong Kong Web3 Association, legal advisor of Women in Web3 Hong Kong and director at Corporate Counsel Hong Kong Association.

Mr. Chu graduated from the University of Texas at Dallas, USA, with a Bachelor of Science degree in Business Administration and Management in May 2009 and a Master of Science degree in Healthcare Management, Business Administration and Management in May 2010. Subsequently, Mr. Chu obtained his Juris Doctor degree (Distinction) and Postgraduate Certificate in Laws from the City University of Hong Kong in October 2014 and July 2015, respectively. Mr. Chu was officially admitted as a qualified solicitor in Hong Kong since March 2018 and is a member of the Law Society of Hong Kong.

Mr. SO Han Meng Julian (“Mr. So”), aged 53, has been appointed as the executive Director with effect from 1 November 2024. He obtained his degree of Bachelor of Laws from The National University of Singapore. Mr. So is qualified as a solicitor in Singapore, England and Wales and Hong Kong.

He possesses ample experiences in the financial industry, specialising in banking, structured finance, securitisation and derivatives. He is currently Regulatory Consultant of Prosynergy Consulting Limited, a Hong Kong boutique consulting firm that acts as the trusted advisor of financial institutions, fintechs and other companies. He is also Group Chief Executive Officer of Invezz Inc., a decentralized financial institution with a vision to build an investment bank, an asset management company and an exchange using decentralisation technologies.

Mr. So was the Chief Advisor to the Board of the Company from October 2023 to October 2024. He was also the Non-Executive Vice Chairman of Marvion Inc, the issued shares of which are traded over the counter (OTC) (Ticker: MVNC) from August 2021 to September 2024. He was the Group Chief Executive Officer of XBE from July 2021 to September 2024. He had also worked in various prestigious international law firms in Singapore and Hong Kong.

Non-executive Directors

Hon. LI Sai Wing, MH, JP (“Hon Li”), aged 42, has been appointed as Non-Executive Director with effect from 26 October 2022. Hon Li has obtained his bachelor degree of administrative management from Jinan University and master degree of public administration from Sun Yat-Sen University. He is currently Justice of the Peace and a member of the Legislative Council (New Territories South East) of Hong Kong since 2022.

Currently, he is the Vice Chairman of Federation of New Territories Youth, an executive committee member of Democratic Alliance for the Betterment and Progress of Hong Kong. Hon Li is a committee member of HKSAR Government Election Committee and CLP Eco Building Fund. Hon Li is a Hong Kong Committee Member of Guangzhou Panyu District CPPCC Committee. He is also the Vice Chairman of New Territories Association of Societies. Hon. Li is also a committee member of Fight Crime Committee of Hong Kong Government. He was a district council member of Shatin District from 2012 to 2019. He was the PR Project Supervisor of A-World Consulting Limited. He has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, please refer to the paragraph headed “3. Disclosure of Interests” in Appendix III to this Prospectus for details.

Ms. LEUNG Kar Ming, MH (“Ms. Leung”), aged 46, has been appointed as non-executive Director with effect from 1 August 2024. She had studied for Bachelor of Business Administration (service operation management) in City University of Hong Kong.

Currently, Ms. Leung is a District Council member (Kwai Tsing District) and member of the Sixth Election Committee of Hong Kong. She is also a Hong Kong and Macau member of the 13th Zhongshan Municipal Committee of the Chinese People’s Political Consultative Conference. She is also a deputy officer of Administration and Human Resources Department of Associated Maritime Company (Hong Kong) Limited.

Independent non-executive Directors

Mr. WONG Hoi Kuen (“Mr. Edmund Wong”), aged 64, has been appointed as independent non-executive Director with effect from 16 August 2017. He is the chairman of the audit committee, the remuneration committee and nomination committee of the Board. He is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. Mr. Edmund Wong joined the Group on 16 August 2017. Mr. Edmund Wong was an independent non-executive director, members of audit committee and nomination committee of Elife Holdings Limited (Stock Code: 223) for the period from 9 May 2011 to 30 September 2024. Mr. Edmund Wong was also the company secretary of China Infrastructure Investment Limited for the period from 1 August 2023 to 21 May 2024, the listing of securities of which were cancelled on the Main Board of the Stock Exchange on 15 November 2024. He has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, please refer to the paragraph headed “3. Disclosure of Interests” in Appendix III to this Prospectus for details.

Dr. CHEN Shengrong (“Dr. Chen”), aged 43, has been appointed as independent non-executive Director with effect from 30 January 2015. She is a member of the audit committee, remuneration committee and nomination committee of the Board. She obtained a doctorate degree in Business Administration from the Pacific States University of the USA in 2011. She was an audit manager with Baker Tilly China Certified Public Accountants and had been the vice general manager of New Times Securities Company Limited in charge of risk control. From August 2014 to December 2016, Dr. Chen served as the vice president of finance of Skyslink New Energy Asset Management Limited. From January 2017 to February 2021, she served as the vice president of Sky Cloud Green Data Technology Co, Ltd (天之雲綠色數據技術有限責任公司). She is currently serving as general manager in China Ageing Welfare Development Co, Ltd. Dr. Chen has extensive experience in internal control of enterprises, risk control in investment businesses, project risk evaluation and assets restructuring management. Dr. Chen joined the Group on 30 January 2015. She has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, please refer to the paragraph headed “3. Disclosure of Interests” in Appendix III to this Prospectus for details.

Mr. CHU Wun Chiu (“Mr. Henry Chu”), aged 30, has been appointed as independent non-executive Director with effect from 1 August 2024. He is a member of the audit committee, nomination committee and remuneration committee of the Board. Mr. Henry Chu has obtained his Bachelor degree in International Politics from Jinan University. He has been a District Council member (Sha Tin East) of Hong Kong and a Hong Kong and Macau member of Shantou City, Haojiang District of CPPCC since January 2024.

He has also been a project approval group member of Environment and Conservation Fund in Hong Kong since January 2023 and a member of Young Democratic Alliance for the Betterment and Progress of Hong Kong since July 2021.

Senior management

Ms. LAM Mei Wai Michelle, aged 41, is the company secretary and one of the authorised representatives of the Company with effect from 31 March 2021. She holds a Bachelor of Arts from The University of Hong Kong and a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lam is currently the President of Oakwood Services Limited and has more than 10 years of experience in company secretarial field. She also serves as the company secretary of Success Dragon International Holdings Limited (stock code: 1182), a company listed on the Main Board of the Stock Exchange.

The business address of the Directors and the senior management of the Company is the same as the head office and principal place of business in Hong Kong of the Company at Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong.

Audit committee

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Edmund Wong (the Chairman of the Audit Committee), Dr. Chen and Mr. Henry Chu. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out above in this appendix.

The role and functions of the Audit Committee include but not limited to supervising the financial reporting procedure and reviewing the consolidated financial statements of the Group, overseeing the Company’s financial reporting system risk management and internal control systems adopted by the Group and reviewing the relevant work of the Group’s external auditor.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this Prospectus.

Name	Qualification
Prism Hong Kong Limited	Certified Public Accountants <i>Registered Public Interest Entity Auditor</i>

As at the Latest Practicable Date, the above expert has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been, since 31 December 2024 (being the date on which the latest published audited financial statements of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any members of the Group.

The report from Prism Hong Kong Limited on the unaudited pro forma financial information of the Group is given as of the Latest Practicable Date for incorporation herein.

10. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

The Group generates and receives revenue from the PRC businesses in RMB, which is currently not a freely convertible currency. The PRC government imposes control on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Under the existing PRC foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which are required to be registered with or approved by the competent bank or governmental authority according to applicable PRC laws and regulations, such registration or approval shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

11. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal, financial advisory, accounting and other professional fees and related expenses, are estimated to be approximately HK\$3.4 million, which are payable by the Company.

12. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

13. MISCELLANEOUS

- (a) There are no contracts for the hire or hire purchase of plant to or by the Group for a period of over one year which are substantial in relation to the Group's business.
- (b) As the Group carried out a major portion of its operations in the PRC and Hong Kong and substantially all of its business transactions, assets and liabilities are denominated in either Renminbi or HK\$, the foreign exchange risk of the Group was considered minimal.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent referred to in the section headed "9. Expert and Consent" in this Appendix has been delivered to the Registrar of Companies in Hong Kong for registration as required by section 342C of the Companies (WUMP) Ordinance.

15. DOCUMENTS ON DISPLAY

The following documents are available on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.citd.com.hk for a period of 14 days from the date of this Prospectus:

- (a) the annual reports of the Company for the three years ended 31 December 2024;
- (b) the interim report of the Company for the six months ended 30 June 2025;
- (c) the material contracts referred to in the section headed “6. Material Contracts” in this Appendix;
- (d) the written consent referred to in the section headed “9. Expert and Consent” in this Appendix;
- (e) the letter from Prism Hong Kong Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus; and
- (f) the Prospectus Documents.

16. LANGUAGE

The English text of this Prospectus shall prevail over the Chinese text in case of any inconsistency.

** For identification purpose only.*