
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 to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

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 Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its 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)

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING
SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
(2) PLACING OF PLACING SHARES IN CONNECTION WITH
THE RIGHTS ISSUE; AND
(3) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS
UNDER THE SHARE OPTION SCHEMES**

Placing Agent to the Company

CheonG Lee
昌利證券

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

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renounees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) will be placed to independent Places on a best effort basis through the Placing. The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 15 June 2026 to Tuesday, 23 June 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in the existing Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be on Friday, 24 July 2026) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

11 June 2026

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

“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Announcement”	the announcement of the Company dated 21 April 2026 in relation to the Rights Issue and the Placing
“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
“Circular”	the circular of the Company dated 13 May 2026 in relation to, among other things, the Rights Share and the Placing
“close associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“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

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company convened and held on Thursday, 28 May 2026 at which the Rights Issue, the Placing Agreement and the transactions contemplated thereunder have been approved by the Independent Shareholders
“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
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholder(s) who is(are) not required to abstain from voting on the resolution(s) relating to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM under the GEM Listing Rules
“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”	21 April 2026, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement

DEFINITIONS

“Latest Practicable Date”	3 June 2026, being the latest practicable date prior to printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Friday, 26 June 2026 or such other time as may be agreed by the Company, being the latest time for application for, acceptance and payment in respect of the provisional allotments under the Rights Issue
“Latest Time for Termination”	5:00 p.m. on Friday, 24 July 2026 or such later date/time as may be agreed between the Company and the Placing Agent in writing, being the latest time to terminate the Placing Agreement
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed;
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Non-Qualifying Shareholder(s)” or “NQS”	Overseas Shareholder(s) to whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Outstanding Share Options”	the outstanding share options to subscribe for an aggregate of up to 6,030,771 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

DEFINITIONS

“Placee(s)”	institutional, corporate or individual investor(s) who are professional investors as defined under the SFO, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares on a best efforts basis by the Placing Agent and/or its sub-placing agent(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited, a company incorporated in Hong Kong with limited liability, licensed by the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 21 April 2026 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Commission”	1% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent
“Placing Period”	the period commencing from Wednesday, 8 July 2026 and ending at 4:00 p.m. on Thursday, 23 July 2026, or such later date/time as may be agreed between the Company and the Placing Agent in writing
“Placing Price”	the placing price of the Placing Shares which shall not be less than the Subscription Price of HK\$0.18 per Placing Share
“Placing Shares”	the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to be placed to the Placee(s) by the Placing Agent
“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
“Previous Rights Issue”	the previous issue by way of rights of the rights shares on the basis of three (3) rights shares for every eight (8) existing Shares held on 10 September 2025, which was completed on 6 October 2025
“Prospectus”	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue

DEFINITIONS

“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Thursday, 11 June 2026 or such later date the Company may determine 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 June 2026 or such other date the Company may determine 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, Hong Kong
“Rights Issue”	the proposed issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price
“Rights Share(s)”	up to 57,369,850 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Option Schemes”	the share option schemes adopted by the Company on 2 August 2012 and 15 May 2023, respectively
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.18 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

DEFINITIONS

“Unsubscribed Rights Share(s)” the Rights Shares that are not subscribed by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of the nil-paid Rights Shares under the PAL(s)

“%” per cent

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the Placing is set out below:

Event	Time and Date
First day of dealing in nil-paid Rights Shares	Monday, 15 June 2026
Latest time for splitting the PALs	4:30 p.m., Wednesday, 17 June 2026
Last day of dealing in nil-paid Rights Shares	Tuesday, 23 June 2026
Latest time for Acceptance of and payment for the Rights Shares.	4:00 p.m., Friday, 26 June 2026
Announcement of results of the Rights Issue including the number of Placing Shares subject to the Placing	Tuesday, 7 July 2026
Commencement of placing of Placing Shares (if any) by the Placing Agent	Wednesday, 8 July 2026
Latest time for the Placing Agent to place the Placing Shares	4:00 p.m., Thursday, 23 July 2026
Latest time for Termination of the Placing Agreement	5:00 p.m., Friday, 24 July 2026
Announcement of the results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Shares).	Thursday, 30 July 2026
Despatch of share certificates for fully-paid Rights Shares	Friday, 31 July 2026
Despatch of refund cheques if the Rights Issue does not proceed	Friday, 31 July 2026
Commencement of dealings in fully-paid Rights Shares	Monday, 3 August 2026
Expected payment date of the Net Gain to the No Action Shareholder	Friday, 7 August 2026

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

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

EXPECTED TIMETABLE

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

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Friday, 26 June 2026 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 does not take place on or before 4:00 p.m., Friday, 26 June 2026, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. An announcement will be made by the Company in such event.

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

Non-Executive Directors:

Mr. Li Sai Wing, *MH, JP*

Ms. Leung Kar Ming, *MH*

Independent non-executive Directors:

Mr. Wong Hoi Kuen

Mr. Chu Wun Chiu

Ms. Dodo Chan

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

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681 Grand Cayman KY1-1111

Cayman Islands

11 June 2026

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
(2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE; AND
(3) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES**

LETTER FROM THE BOARD

INTRODUCTION

References are made to the Announcement, the announcement in relation to the revised timetable dated 12 May 2026, the clarification announcement dated 15 May 2026 and the Circular.

At the EGM held on 28 May 2026, the proposed resolutions for approving the Rights Issue, the Placing Agreement and the transactions contemplated thereunder were duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 28 May 2026.

From the date of the Announcement and up to 10 June 2026, being the Record Date, no issue or repurchase of Shares has been conducted. As a result, the total number of issued Shares as at the Record Date was 114,739,700 Shares and the total number of Rights Shares to be issued will be up to 57,369,850 Rights Shares.

The purpose of this prospectus is to provide you with, among other things, further details on (i) the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) the financial information of the Group; and (iii) the general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.18 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	114,739,700 Shares
Maximum of Rights Shares to be issued under the Rights Issue (assuming the Rights Issue is fully subscribed)	:	57,369,850 Rights Shares
Maximum total number of issued Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	Up to 172,109,550 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

LETTER FROM THE BOARD

Maximum amount to be raised : before expenses Up to approximately HK\$10.33 million
(assuming the Rights Issue is fully subscribed)

As at the Latest Practicable Date, there are 6,030,771 outstanding Share Options granted by the Company. Such outstanding Share Options are exercisable into 6,030,771 Shares. Save for the foregoing, the Company has no other outstanding debt securities, derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 57,369,850 Rights Shares proposed to be provisionally allotted and issued pursuant to the Rights Issue represents approximately 50% of the entire issued share capital of the Company as at the Latest Practicable Date and will represent approximately 33.33% of the entire issued share capital of the Company as enlarged by the issue of the Rights Shares.

As at the Latest Practicable Date, save for the unexercised share options granted by the Company pursuant to the Share Option Schemes, the Company does 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.

Subscription Price

The Subscription Price is HK\$0.18 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 when a renounee 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 15.09% to the closing price of HK\$0.212 per Share as quoted on the Stock Exchange on the Latest Practicable Day;
- (ii) a discount of 25.6% to the average closing price of HK\$0.242 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 26.0% to the average closing price of HK\$0.243 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 17.68% to the theoretical ex-rights price of approximately HK\$0.219 per Share based on the closing price of HK\$0.238 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (v) a discount of approximately 88.6% to the net asset value per Share of approximately HK\$1.585 per Share based on the latest published audited consolidated net asset value attributable to owners of the Company of approximately HK\$181.8 million as at 31 December 2025 as set out in the annual results announcement of the Company for the year ended 31 December 2025 and the total number of issued Shares of 114,739,700 Shares as at the Latest Practicable Date;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 8.52% of the theoretical diluted price (as defined under Rule 10.44A of the GEM Listing Rules) of approximately HK\$0.219 per Share to the benchmarked price of HK\$0.2418 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price of HK\$0.238 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\$0.242 per Share); and
- (vii) a cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) in aggregate with the Previous Rights Issue represented by a discount of approximately 18.92%, represented by the cumulative theoretical diluted price of approximately HK\$2.34 per Share to the benchmarked price of approximately HK\$2.89 per Share (as defined under Rule 10.44A of the GEM Listing Rules) in respect of the Previous Rights Issue.

The cumulative theoretical diluted price, the benchmarked price and cumulative theoretical dilution effect (all defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are approximately HK\$2.34 per Share, HK\$2.89 per Share and 18.92%, respectively. The Rights Issue will not result in a cumulative theoretical dilution effect of 25% or more on its own. As such, the cumulative theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange.

The Subscription Price was determined 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\$0.485 per Share on 21 October 2025 to HK\$0.238 per Share on the Last Trading Day with an average daily trading volume amounting to approximately 10.6% 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 2024 and 2025, the Company recorded total comprehensive expense for the year of approximately HK\$33.10 million and HK\$111.4 million, respectively; (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; (iv) the relatively large fundraising size when compared with the market

LETTER FROM THE BOARD

capitalisation of the Company as at the Last Trading Day; and (v) 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.

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, 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 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 AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS” below in this prospectus.

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. Based on the foregoing, 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\$0.172.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. There is no minimum subscription level or minimum amount to be raised under the Rights Issue. In the event that the Rights Issue is not fully subscribed, any Rights Shares that are not subscribed by the Qualifying Shareholders or renounees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) together with the NQS Unsold Rights Shares

LETTER FROM THE BOARD

(collectively, the Placing Shares) will be placed to independent Placees on a best efforts basis through the Placing. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Company conducted an evaluation of potential underwriting arrangements for the Rights Issue, approaching a number of securities firms to assess their interest in acting as underwriter. However, only the Placing Agent expressed interest and willingness to participate as a placing agent, with no other underwriters prepared to commit to a full underwriting agreement.

Given the lack of underwriting interest, the Board determined that proceeding on a non-underwritten basis, combined with the Placing Agreement, represents the most viable and efficient approach to meet the Company's funding objectives.

Furthermore, as detailed in the section headed "Placing Agreement" below, the Unsubscribed Rights Shares, the NQS Unsold Rights Shares and a compensatory mechanism for No Action Shareholders and the Excluded Shareholders. After careful deliberation, the Board concluded that the terms of the Rights Issue, including the non-underwritten structure and the Placing, are fair, reasonable, and in the best interests of the Company and its Shareholders as a whole.

As the Rights Issue is not underwritten and has not set a minimum subscription amount, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Any subscription monies not utilized due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed, on a best efforts basis, to procure independent Placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (collectively, the "Placing Shares") at the Placing Price during the Placing Period. The Placing Agent shall ensure that the Placees and their respective ultimate beneficial owners (where applicable) shall be Independent Third Parties and that the Placing will not have any implications under the Takeovers Code and will not result in the public float of the Company being less than 25% of the issued share capital of the Company immediately upon completion of the Rights Issue. The Placing Agent shall scale down the number of Shares to be subscribed by the Placees on a pro rata basis to ensure compliance with the public float requirements under Rule 11.23(7) of the GEM Listing Rules, and therefore will not trigger any obligation to make a mandatory general offer under the Takeovers Code. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There will be no excess application arrangements in relation to the Rights Issue.

LETTER FROM THE BOARD

Undertaking

The Company has 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 as at the date of this prospectus.

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) the posting to the Qualifying Shareholders and 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 passing of the necessary resolution(s) by the Shareholders at the EGM to approve the Rights Issue.

None of the above conditions can be waived. If the conditions set out in paragraphs (i) to (iv) above are not fulfilled on or prior to the respective time stipulated therein, the Rights Issue will not proceed. 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, condition (iv) has been fulfilled.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) 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.

LETTER FROM THE BOARD

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.

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Friday, 26 June 2026.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company (the “**Registered Nominee**”). Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Based on the latest available register of members of the Company as at the Latest Practicable Date, there was one Shareholder with registered address situated in the PRC, who held 53 Shares in aggregate, representing approximately 0.0000462% 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 10.02% of the issued share capital of the Company as at the Latest Practicable Date.

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.

The Company will not offer the Rights Shares to the Non-Qualifying Shareholders.

Any Rights Shares that are not subscribed by the Qualifying Shareholders or renounees or transferees of the Nil-paid Rights under the PALs together with the NQS Unsold Rights Shares (collectively, the Placing Shares) will, on a best efforts basis, be placed by the Placing Agent to independent Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), at the Placing Price.

LETTER FROM THE BOARD

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares and NQS Unsold Rights Shares to Placee(s) on a best efforts basis, and the aggregate of any premiums paid by the Placee(s) after deducting (i) the aggregate amount of the Subscription Price of the Placing Shares placed by the Placing Agent under this Agreement); and (ii) the aggregate amount of all reasonable expenses or fees incurred by the Company and the Placing Agent (the “**Net Gain**”) will be paid to the No Action Shareholders.

It is proposed that if all or any of the Placing Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders on a pro-rata basis in Hong Kong dollars, provided that any individual amount of less than HK\$100 to which a No Action Shareholder would otherwise be entitled shall be retained by the Company for its own benefit.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 17.41(1) of the GEM Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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 lapse and will not be made available for subscription.

Share certificates and refund cheques for the Rights Shares

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 Friday, 31 July 2026 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 Friday, 31 July 2026 by ordinary post to the applicants at their own risk.

LETTER FROM THE BOARD

Procedures for acceptance and payment or 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 Friday, 26 June 2026 (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” 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 Friday, 26 June 2026, 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. 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.

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 June 2026 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.

LETTER FROM THE BOARD

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 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.

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

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Placing

The Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering them as Placing Shares to independent Placees through the Placing.

LETTER FROM THE BOARD

Accordingly, on 21 April 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (collectively, the “Placing Shares”) to independent Placees on a best efforts basis. Pursuant to the Placing Agreement, the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure, on a best efforts basis, Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange. The Placing Agent will, on a best efforts basis, procure subscribers for all (or as many as possible) of those Placing Shares by not later than 4:00 p.m. on Thursday, 23 July 2026. Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue through the PAL(s), the Placing will not proceed. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

THE PLACING AGREEMENT

On 21 April 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure Placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), to subscribe for the Placing Shares at the Placing Price during the Placing Period on and subject to the terms and conditions set out in the Placing Agreement. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange.

Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue, i.e. all the Rights Shares are fully subscribed by the Qualifying Shareholders or renounee(s) or transferee(s) under the PAL(s), the Placing will not proceed.

Principal terms of the Placing Agreement are summarised as follows:

Date : 21 April 2026 (after trading hours)

Issuer : the Company

Placing Agent : Cheong Lee Securities Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.

Placing Price : The placing price of each of the Placing Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy, stamp duty (if any) and Stock Exchange trading fee as may be payable). The final Placing Price shall be determined by the Placing Agent with the agreement of the Company based on the demand for and the market conditions of the Placing Shares during the process of placement.

LETTER FROM THE BOARD

- Placing Period : The period from Wednesday, 8 July 2026 up to 4:00 p.m. on Thursday, 23 July 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing.
- Placing Commission : The Company shall pay the Placing Agent a placing commission equivalent to 1% of the amount which is equal to the Placing Price multiplied by the total number of Unsubscribed Rights Shares and NQS Unsold Rights Shares which are successfully placed by the Placing Agent.
- Placees : The Placing Shares are expected to be placed to placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- Ranking of the placed Placing Shares : The placed Placing Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
- Conditions Precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions);
 - (ii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained; and
 - (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

None of the conditions of the Placing can be waived. The Company shall use its reasonable endeavours to procure fulfilment of the conditions precedent as set out in the Placing Agreement and for such purpose, the Company shall furnish such information, supply such documents, pay such fee, give such undertakings, and do all such acts and things as may reasonably be required in connection with the fulfilment of such conditions.

LETTER FROM THE BOARD

If the conditions precedent set out in the Placing Agreement have not been fulfilled on or before 5:00 p.m. on Friday, 24 July 2026, or such later date/time as may be agreed between the Company and the Placing Agent in writing, all rights, obligations and liabilities of the Parties in relation to the Placing shall cease and determine and neither of the Parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

The Placing Agent undertakes to use its best endeavours to assist the Company in procuring that the conditions of the Placing are fulfilled on or before 5:00 p.m. on Friday, 24 July 2026 (or such later date/time as may be agreed between the Company and the Placing Agent in writing), including but not limited to the delivery by the Placing Agent to the Stock Exchange and/or the relevant regulatory authorities of written confirmations of the independence of the Placees and particulars of the Placees.

For the avoidance of doubt, if all the Rights Shares are already fully taken up in the Rights Issue, the Placing will not proceed.

Termination : Notwithstanding any other provisions of the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole, or would materially prejudice the success of the Placing or the full placement of all of the Placing Shares, or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

LETTER FROM THE BOARD

- (a) the occurrence of any event, development or change (whether or not local, national or international, or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement), including any event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions, which in the Placing Agent's reasonable opinion would affect the success of the Placing;
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise, which in the Placing Agent's reasonable opinion would affect the success of the Placing;
- (c) any new law or regulation, or change in existing laws or regulations, or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group, which in the Placing Agent's reasonable opinion may affect the business or financial prospects of the Group and/or the success of the Placing;
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing;
- (e) any breach of any of the representations and warranties of the Company comes to the knowledge of the Placing Agent, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which, if it had occurred or arisen before the date of the Placing Agreement, would have rendered any of such representations and warranties untrue or incorrect in a material respect, or there has been a material breach by the Company of any other provision of the Placing Agreement; or

LETTER FROM THE BOARD

- (f) any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of such notice of termination, the Placing Agreement shall be terminated and be of no further effect, and all respective obligations of either party thereunder shall cease and determine. Neither party shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement, except for any antecedent breach of any obligation under the Placing Agreement and any liabilities in respect of the Company's warranties and the commissions and expenses provisions.

Application for listing : The Company will apply to the GEM Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Placing Shares.

Board lot size of Rights : 2,000 Shares
Shares

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Placing Shares will be placed by the Placing Agent to independent Placees on a best efforts basis. The net proceeds from the Placing will be utilised for the same purposes as described in the section headed "Reasons for and Benefits of the Rights Issue and the Use of Proceeds" in this prospectus.

Given that the Placing would provide (i) a distribution channel of the Placing Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, so that the Placing would allow the Company to raise the shortfall of funds required where possible after the Rights Issue, the Board considers that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Placing Agent shall use its best endeavours and make all reasonable enquiries to ensure that the Placing Shares are placed (i) to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the GEM Listing Rules) and their respective associates (as defined under the GEM Listing Rules); (ii) such that no Placees, together with parties acting in concert with the respective Placees or any of the connected persons or associates of the respective Placees, shall hold in aggregate 30% or more of the voting rights of the Company immediately upon the completion of the Placing or otherwise trigger any MGO Obligation under the Takeovers Code immediately upon the completion of the Placing; and (iii) such that the Public Float Requirement be complied with by the Company immediately upon the completion of the Placing.

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 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 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 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 Rights 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 and any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE 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 annual results announcement of the Company for the year ended 31 December 2025, the Group recorded a net loss of approximately HK\$100.2 million for the year ended 31 December 2025 as compared to a net loss of approximately HK\$38.38 million for the year ended 31 December 2024. Besides, as at 31 December 2025, the net current assets were only approximately HK\$2,949,000. Based on the unaudited management accounts of the Group for the three months ended 31 March 2026, the Group had bank and cash balances of approximately HK\$11.98 million as at 31 March 2026.

As at 31 March 2026, the Group had cash and bank balances of approximately HK\$11,980,000. The Group's average monthly operating cash requirement is approximately HK\$3,000,000. Based on the current cash position, the Group has sufficient cash resources to sustain its operations for only approximately four months. The Company is therefore unable to service and repay its outstanding loan obligations from its existing cash resources, and the Rights Issue is necessary to raise funds for this purpose.

As it has become critical for the Company to be able to raise funds as soon as possible to meet its repayment obligations, after considering (i) the current financial position of the Group; (ii) the benefits and cost of alternative fundraising means; and (iii) the importance of the fundraising exercise to the Company to satisfy its pressing financial needs, the Directors consider that the Rights Issue will enable the Group to raise the necessary funds in a timely manner to repay outstanding indebtedness of the Group, which is in the interests of the Company and the Shareholders as a whole.

Assuming all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$10.33 million. The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be up to approximately HK\$9.73 million, which are intended to apply the entire net proceeds towards repayment of outstanding indebtedness of the Company. Prior to the full utilisation of the net proceeds of the Rights Issue, all unutilised proceeds will be deposited in licensed banks in Hong Kong.

LETTER FROM THE BOARD

The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK\$0.17. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

Intended use	Approximate amount	Approximate % of net proceeds
Loan from an independent third party to be repaid on or before 1 January 2027.	HK\$8,796,000	90.40%
Settlement of professional fees and other administrative expenses.	HK\$934,000	9.60%

The loan to be repaid from the net proceeds of the Rights Issue was drawn down in August 2023 and has a maturity date of 1 January 2027. The lender is Guangzhou Dehuang Property Management Co., Ltd.* (廣州市德煌物業管理有限公司). Guangzhou Dehuang Property Management Co., Ltd.* (廣州市德煌物業管理有限公司) is wholly owned by Guangzhou Dehuang Investment Co., Ltd.* (廣州市德煌投資有限公司), which is in turn owned as to 20.25% by Mr. Zhang Rong (張榮), as to 20.25% by Wan Hung Piu (溫洪標), as to 20.25% by Yan Wai Ping (甄衛平), as to 19% by Guangzhou Deyong Technology Investment Co., Ltd.* (廣州市德永科技投資有限公司), as to 10.125% by Zhu Xiaowei (朱小蔚), and as to 10.125% by Tang Keung (鄧強). Guangzhou Deyong Technology Investment Co., Ltd.* (廣州市德永科技投資有限公司) is wholly owned by Great Achieve Management Limited (浩進管理有限公司). Great Achieve Management Limited (浩進管理有限公司) is wholly owned by Mr. Chan Siu Man (陳少敏), who is therefore the ultimate beneficial owner of Guangzhou Deyong Technology Investment Co., Ltd.* (廣州市德永科技投資有限公司). Save for Mr. Zhang Rong, all of the above shareholders are independent third parties to the Company.

Mr. Zhang Rong holds more than 10% of the issued share capital of the Company and is therefore a connected person of the Company under the GEM Listing Rules. However, since Mr. Zhang Rong holds only 20.25% of Guangzhou Dehuang Investment Co., Ltd.* (廣州市德煌投資有限公司), Guangzhou Dehuang Investment Co., Ltd.* (廣州市德煌投資有限公司) does not constitute an associate of Mr. Zhang Rong. Accordingly, the lender, Guangzhou Dehuang Property Management Co., Ltd.* (廣州市德煌物業管理有限公司), is not a connected person of the Company under the GEM Listing Rules.

Notwithstanding the above, since part of the net proceeds of the Rights Issue will be applied towards the repayment of the loan owed to Guangzhou Dehuang Property Management Co., Ltd.* (廣州市德煌物業管理有限公司), in which Mr. Zhang Rong holds an indirect interest of 20.25% through his shareholding in Guangzhou Dehuang Investment Co., Ltd.* (廣州市德煌投資有限公司), Mr. Zhang Rong has a material interest in the relevant resolution to be proposed at the EGM. Accordingly, Mr. Zhang Rong abstained from voting on such resolution at the EGM.

The professional fees and other administrative expenses of approximately HK\$934,000 to be applied from the net proceeds of the Rights Issue comprise outstanding legal fees of approximately HK\$800,000 and the remaining balance of approximately HK\$134,000 representing outstanding valuation and internal control fees.

The Company further confirms that none of the above professional fees and other administrative expenses will be paid to any connected person (as defined under the GEM Listing Rules) of the Company. All such fees and expenses are payable to independent third parties only.

LETTER FROM THE BOARD

The Board has considered and determined that applying the entire net proceeds towards repayment of outstanding indebtedness is in the best interests of the Company and the Shareholders as a whole, as it will reduce the Group's debt burden, lower its finance costs and improve its gearing ratio and overall financial position.

Assuming the net proceeds of approximately HK\$9.73 million are fully utilised as described above, the Group's total borrowings would decrease by approximately HK\$8,796,000 (being the amount applied towards repayment of the outstanding loan) upon completion of the Rights Issue, while shareholders' equity would increase by approximately HK\$9,731,000 as a result of the issue of the Rights Shares. Based on the Group's audited financial statements for the year ended 31 December 2025, the Group's gearing ratio (calculated as total borrowings divided by total equity) was approximately 0.36. Assuming full subscription of the Rights Issue and full utilisation of the net proceeds as described above, the gearing ratio is expected to improve to approximately 0.29.

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 33.3% 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 stabilisation and recovery of the Group's financial position through the repayment of its outstanding indebtedness. 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 that the repayment of the Group's outstanding indebtedness through equity fundraising, rather than further debt financing, is prudent as it will reduce the Group's finance costs, alleviate its debt repayment pressure and improve its overall financial position and gearing ratio. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to, debt financing, placing and open offer. As at the Latest Practicable Date, the Company had approached two banks on the feasibility of obtaining bank loans and both banks has reverted that it is difficult for the Company to obtain loans from their banks given that the Company is loss making and has no assets which can be accepted as security. The Board is of the view that debt financing is not desirable as it will result in additional interest burden and higher gearing ratio of the Group, which will have a negative impact on the profitability of the Group in the future. Besides, the Company may not be able to achieve debt financing on favourable terms in a timely manner, the Directors consider that this is the case in view of the Group's loss making position for the latest financial year 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 debt financing would depend. As for placing of new Shares, 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, which would allow the Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto. The Placing arrangement, which involves the placement of the Placing Shares at the Placing Price (which shall not be less than the Subscription Price), serves to maximise the funds to be raised.

LETTER FROM THE BOARD

The current Rights Issue is primarily for the repayment of the Company's outstanding loan which matures on 1 January 2027. The purpose of the current Rights Issue is therefore materially different from that of the Previous Rights Issue, which was conducted primarily to replenish the general working capital of the Group for the payment of salaries, rental and building management fees, and outstanding professional fees and administrative expenses.

The Board has carefully considered the available fundraising alternatives. Regarding debt financing, the Company has previously approached at least two banks, both of which declined to provide financing due to insufficient security or collateral. Regarding underwriting, the Board considers that it would be difficult to procure underwriting on terms that are favourable to the Company and its Shareholders given the Company's current financial position.

Having regard to the foregoing, and notwithstanding the short interval between the current Rights Issue and the Previous Rights Issue, the Board is of the view that the Rights Issue is the most suitable fundraising option available to the Company and is in the best interests of the Company and its Shareholders as a whole.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the financial recovery and stabilisation of the Company through the repayment of its outstanding indebtedness, 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.

The Company confirms that, as at the Latest Practicable Date, the Company had no ongoing discussions with any party in relation to any further fundraising exercise, and no agreement or arrangement in respect of further fundraising had been entered into.

Given the Company's current financial position, the Board will keep an open mind and will consider further fundraising opportunities if and when appropriate, provided that the terms of such fundraising are favourable to the Company and in the interests of the Company and its Shareholders as a whole.

In the event that the Rights Issue is undersubscribed and insufficient proceeds are raised to fully repay the loan, the Company will consider all available options at that time to address the shortfall, which may include further fundraising activities if the terms are in the interests of the Company and its Shareholders as a whole. The Company will make appropriate disclosure in accordance with the GEM Listing Rules should any definitive fundraising plan be determined.

LETTER FROM THE BOARD

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

Adjustments for Rights Issue as follows:

New number of Options = Existing Options x F

$$\text{New Exercise Price} = \text{Existing Exercise price} \times \frac{1}{F}$$

Where

$$F = \frac{\text{CUM}}{\text{TEEP}}$$

CUM = Closing price as shown in the Daily Quotation Sheet of the Exchange on the last day of trading before going Ex-Entitlement

$$\text{TEEP (Theoretical Ex Entitlement Price)} = \frac{\text{CUM} + [\text{M} \times \text{R}]}{1 + \text{M}}$$

M = Entitlement per existing Share

R = Subscription Price

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 unexercised share options under the Share Option Schemes. The Company will notify the holders of such unexercised 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 Schemes and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). The Company expects that such announcement will be made on or around 7 July 2026, being the same date on which the Company intends to announce the results of the Rights Issue, including the number of Placing Shares subject to Placing. As at the Latest Practicable Date, there are 6,030,771 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 6,030,771 Shares. 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	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	29,626
	Sub-total:					<u>29,626</u>
DIRECTORS						
Mr. Wong	Executive Director ("ED"), chairman and chief executive officer	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
WONG Hoi Kuen	Independent non-executive Director	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	39,145
FORMER DIRECTOR						
CHANG Ki Sum Clark <i>(Retired on 28 June 2024)</i>	Executive Director	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	307,860
		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	84,046
	Sub-total:					<u>825,952</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		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	270,497
Batch B		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	141,694
Batch C		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	1,434,963
Batch D		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	132,401
Batch E		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	414,474
Batch F		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
Sub-total:						<u>2,788,930</u>
CONSULTANTS						
WEI Qi	AI consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
WEI Guokang	Data center construction consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
HUANG Jiehuan	Consultant (algorithm)	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	115,132
Sub-total:						<u>661,294</u>
TOTAL:						<u>4,305,802</u>

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	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	313,212
Hon. LI Sai Wing, MH, JP	Non-executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	230,303
FORMER DIRECTOR						
CHANG Ki Sum Clark <i>(Retired on 28 June 2024)</i>	Executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	315,515
Sub-total:						859,030
EMPLOYEES						
Batch A		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	161,212
Batch B		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	704,727
Sub-total:						865,939
TOTAL:						1,724,969

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund-raising activities in the past twelve months immediately prior to the date of the Prospectus:

Date of announcement	Event	Net proceeds raised (approximately)	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date
6 October 2025	Rights issue on the basis of three rights shares for every eight existing shares held on the record date on a fully underwritten basis	HK\$32.05 million	Approximately HK\$3,600,000 for rental and building management fees; approximately HK\$27,000,000 for salaries; and approximately HK\$1,450,000 for settlement of professional fees and other administrative expenses.	(i) approximately HK\$1,908,000 for rental and building management fees; (ii) approximately HK\$12,472,000 for salaries; and (iii) approximately HK\$1,450,000 for settlement of professional fees and other administrative expenses, all as intended.
19 November 2025 and 5 December 2025	Placing of 14,000,000 New Shares Under General Mandate	HK\$3,881,000	(i) the repayment of maturing indebtedness; and (ii) general working capital of the Group.	Used as intended

The purpose of the current Rights Issue is materially different from that of the Previous Rights Issue. Whereas the Previous Rights Issue was conducted primarily for the payment of salaries, rental and building management fees, and outstanding professional fees and administrative expenses, including approximately HK\$1,400,000 per month for the payment of salaries and approximately HK\$240,000 per month for rental and building management fees, the primary purpose of the current Rights Issue is the repayment of the Company's outstanding loan obligations. The Group expects that the remaining net proceeds of the Previous Rights Issue allocated for the payment of salaries will be fully utilised in the first quarter of 2027, and those allocated for rental and building management fees will be fully utilised in December 2026. Save for approximately HK\$934,000 to be applied towards the settlement of professional fees and other administrative expenses, substantially all of the net proceeds of the current Rights Issue will be applied towards loan repayment. Accordingly, the purposes of the two fundraising exercises are distinct in nature.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The tables below set out the shareholding structures of the Company (i) as at the date of the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Rights Shares are subscribed for by the Qualifying Shareholders; (iii) immediately after completion of the Rights Issue assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent; and (iv) immediately after completion of the Rights Issue assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and none of the Placing Shares are placed by the Placing Agent.

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows for illustrative purposes only:

	As at the date of the Latest Practicable Date		Immediately upon completion of the Rights Issue – Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Immediately upon completion of the Rights Issue – Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent		Immediately upon completion of the Rights Issue – Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of the Placing Shares are placed by the Placing Agent	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Mr. ZHANG Rong (“Mr. Zhang”) (Note 1)	20,200,299	17.61	30,300,449	17.61	20,200,299	11.74	20,200,299	17.61
Mr. WONG King Shiu, Daniel (“Mr. Wong”) (Note 2)	669,550	0.58	1,004,325	0.58	669,550	0.39	669,550	0.58
JStage Technology Limited (“JStage Technology”) (Note 3)	11,500,000	10.02	17,250,000	10.02	11,500,000	6.68	11,500,000	10.02
Public Shareholders								
– Independent Placees	–	–	–	–	57,369,850	33.33	–	–
– Other public Shareholders	82,369,851	71.79	123,554,776	71.79	82,369,851	47.86	82,369,851	71.79
Total	114,739,700	100.00	172,109,550	100.00	172,109,550	100.00	114,739,700	100.00

LETTER FROM THE BOARD

Notes:

1. These 20,200,299 Shares comprise 16,981,499 Shares beneficially owned by Mr. Zhang and 3,218,800 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 Securities and Futures Ordinance, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory Limited has, or deemed to have an interest.
2. Mr. Wong is an executive Director, chairman and chief executive officer of the Company.
3. 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 Securities and Futures Ordinance, 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 Securities and Futures Ordinance.
4. 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 will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 11.23(7) of the GEM Listing Rules.

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 20,200,299, 669,550 and 11,500,000 Shares, representing approximately 17.61%, 0.58% and 10.02% 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 at the Latest Practicable Date, the Company has in issue 114,739,700 Shares. The maximum number of Rights Shares to be issued under the Rights Issue is 57,369,850 Rights Shares, representing approximately 50% of the issued share capital of the Company as at the Latest Practicable Date. The Previous Rights Issue, which was completed on 6 October 2025, resulted in the allotment and issue of 27,474,463 rights shares, representing approximately 37.50% of the issued share capital of the Company at the time of the Previous Rights Issue.

When aggregated with the Previous Rights Issue, the number of new Shares to be issued under both the Previous Rights Issue and the Rights Issue represents an increase of more than 50% in the number of issued Shares of the Company. Accordingly, the Rights Issue is subject to the approval of the Shareholders at a general meeting pursuant to Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at the EGM. As the Company does not have a controlling Shareholder (as defined under the GEM Listing Rules), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM. Mr. Zhang Rong has a material interest in the relevant resolution to be proposed at the EGM. Accordingly, Mr. Zhang Rong abstained from voting on such resolution at the EGM.

LETTER FROM THE BOARD

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

At the EGM held 28 May 2026, the proposed resolutions for approving the Rights Issue, the Placing Agreement and the transactions contemplated were duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 28 May 2026.

ADDITIONAL INFORMATION

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

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

The Rights Issue is subject to, amongst other things, the passing of the necessary resolution(s) by the Shareholders at the EGM. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholders or other persons 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 are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 15 June 2026 to Tuesday, 23 June 2026 (both dates inclusive).

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent Placers on a best efforts basis through the Placing. Accordingly, if the Rights Issue is not fully subscribed and there remain Placing Shares which are not placed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their provisional entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

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 contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

Yours faithfully,
For and on behalf of the Board of
China Information Technology Development Limited
Mr. Wong King Shiu, Daniel
Chairman and Chief Executive Officer

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.citd.com.hk).

- Annual report for the year ended 31 December 2025 (pages 63 to 162)
<https://www1.hkexnews.hk/listedco/listconews/gem/2026/0414/2026041400488.pdf>
- Annual report for the year ended 31 December 2024 (pages 64 to 166)
<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0407/2025040701865.pdf>
- Annual report for the year ended 31 December 2023 (pages 65 to 142)
<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0429/2024042902390.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business of 30 April 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	HK\$'000
Current liabilities	
Lease liabilities – unsecured and unguaranteed	913
Other Loans – unsecured and unguaranteed (note ii)	23,541
Bank Loans – secured and guaranteed (note i)	29,793
	<u>54,247</u>
Non-current liabilities	
Lease liabilities – unsecured and unguaranteed	1,806
Other Loans – unsecured and unguaranteed (note ii)	5,386
Bonds – unsecured and unguaranteed (note iii)	5,198
	<u>12,390</u>
	<u><u>66,637</u></u>

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\$23,541,000 were unsecured, interest free and repayable within twelve months.

The remaining of other loans amounted to approximately HK\$5,386,000 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 30 April 2026, the fair value of the bonds was approximately HK\$5,198,000 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 30 April 2026.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the estimated net proceeds from the Right Issue, the Placing 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 confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2025, 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 year ended 31 December 2025, the Group recorded a revenue of approximately HK\$34,464,000, representing a decrease of approximately 16.9% from approximately HK\$41,485,000 for the last corresponding year. The decrease in revenue is mainly due to the dispute between the Group and the tenant regarding the investment properties in the PRC and revenue from the investment properties decreased of approximately HK\$5,364,000 (for further details, please refer to page III-12 of this Prospectus).

The Group's loss attributable to owners of the Company was approximately HK\$99,459,000 for the calendar year of 2025. For the year ended 31 December 2025, the Group had total assets of approximately HK\$252,212,000 with cash and bank balances of approximately HK\$14,933,000. For the year ended 31 December 2025, the Group had total liabilities of approximately HK\$81,752,000 with total borrowings amounted to approximately HK\$60,906,000. The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.36.

Shadowed by the increasing geopolitical complexity and the rapid technological advancement, the business environment remains challenging. Against this backdrop, the governments of Hong Kong and Mainland China continue to demonstrate strong commitment to fostering innovation, accelerating digital transformation, and supporting sustainable growth across the information technology sector.

Building on this momentum, the Group will continue to strengthen its technological capabilities and product offerings, ensuring that our services and products remain competitive and relevant to market needs. We will actively explore the integration of AI to enhance operational efficiency, optimize customer experiences, and deliver innovative applications that connect technology with everyday life.

To support these initiatives, the Group is constantly seeking ways to enhance its operational efficiency and the profitability of its business. The Group will also proactively explore new opportunities in Hong Kong and the PRC as well as new markets like UAE to expand its customer base and market share which will boost value to its shareholders. Meanwhile, the Group shall strive to resolve the dispute in relation to the property in PRC. The Group remains dedicated to preserving a healthy liquidity position while pursuing high-potential investments that reinforce its long-term goal for sustainable business growth.

(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 31 December 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 31 December 2025 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025, as extracted from the Group’s audited consolidated statement of financial position as at 31 December 2025 included in the published annual report of the Company for the year ended 31 December 2025, and is adjusted for the effect of the Rights Issue described below.

		Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 immediately after completion of the Rights Issue HK\$’000 (Note 2)	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share Company as at 31 December 2025 per share HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share immediately after completion of the Rights Issue HK\$ (Note 4)
Based on 57,369,580 Rights Shares to be issued at the Subscription Price of HK\$0.18 per Rights Share	161,445	9,731	171,176	1.4071
	161,445	9,731	171,176	1.4071

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 set out in the published annual report of the Company, which is based on the audited consolidated net assets of the Group attributable to the owners of the Company of approximately HK\$181,825,000, after deducting the goodwill and other intangible assets of approximately HK\$19,556,000 and HK\$824,000 respectively, as at 31 December 2025.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$9,731,000 are based on 57,369,850 Rights Shares to be issued at the subscription price of HK\$0.18 per Rights Share after deducting all necessary estimated expenses of approximately HK\$596,000 which are directly attributable to the Rights Issue, pursuant to the Rights Issue, assuming that the Rights Issue has been completed on 31 December 2025.
- (3) The calculation of audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share is determined based on the audited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$161,445,000 divided by 114,739,700 Shares in issue as at 31 December 2025.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 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 31 December 2025 immediately after completion of the Rights Issue of approximately HK\$171,176,000 divided by 172,109,550 Shares which comprise of 114,739,700 Shares in issue as at 31 December 2025 and 57,369,850 Rights Shares to be issued assuming that the Rights Issue has been completed on 31 December 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 31 December 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 31 December 2025 and related notes as set out in Part A of Appendix II of the prospectus issued by the Company dated 11 June 2026 (the “**Prospectus**”) in connection with the proposed rights issue of the Company (the “Unaudited Pro Forma Financial Information”) on the basis of one rights share for every two existing shares held on the record date on a non-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 31 December 2025 as if the Rights Issue had taken place at 31 December 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 consolidated financial statement for the year ended 31 December 2025, on which an auditor's 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 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 31 December 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 June 2026

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 (i) as at the Latest Practicable Date and (ii) immediately following completion of the Rights Issue (assuming no change in the number of Shares in issue and full subscription under Rights Issue) are as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
12,000,000,000	Shares	1,200,000,000
<i>Issued and full-paid:</i>		
114,739,700	Shares in issue	11,473,970.0

(ii) Immediately following completion of the Rights Issue (assuming no change in the number of Shares in issue and full subscription under Rights Issue)

<i>Authorised:</i>		<i>HK\$</i>
12,000,000,000	Shares	1,200,000,000
<i>Issued and full-paid:</i>		<i>HK\$</i>
114,739,700	Shares in issue as at the Record Date	11,473,970.0
57,369,850	Rights Shares to be allotted and issued under the Rights Issue	5,736,985.0
172,109,550	Shares in issue	17,210,955.0

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:

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	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	29,626
	Sub-total:					29,626
DIRECTORS						
Mr. Wong	Executive Director, Chairman and Chief Executive Officer	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
WONG Hoi Kuen	Independent non-executive Director	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	39,145
FORMER DIRECTORS						
CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	1.902		N/A		307,860
		1.216	16 June 2022	N/A	13 May 2021 to 12 May 2031	84,046
CHEN Shengrong (Resigned on 17 November 2025)	Independent non-executive Director	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	—
	Sub-total:					825,952

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		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	270,497
Batch B		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	141,694
Batch C		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	1,434,963
Batch D		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	132,401
Batch E		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	414,474
Batch F		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
	Sub-total:					2,788,930
CONSULTANTS						
WEI Qi	AI consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
WEI Guokang	Data center construction consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
HUANG Jiehuan	Consultant (Algorithm)	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	115,132
	Sub-total:					661,294
	TOTAL:					4,305,802

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	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	313,212
Mr. LI Sai Wing, MH, JP	Non-executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	230,303
FORMER DIRECTOR CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	315,515
EMPLOYEES						
Batch A		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	161,212
Batch B		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	704,727
	Sub-total:					865,939
	TOTAL:					1,724,969

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		Percentage of the Company's issued share capital (approximately) (Note a)
		Registered Shareholder	Underlying Interest	
Executive Director				
WONG King Shiu, Daniel	Beneficial owner	669,550	–	0.58%
		–	708,113 (Note b)	0.62%
Non-Executive Director				
LI Sai Wing, MH, JP	Beneficial owner	–	230,303 (Note c)	0.20%
Independent Non-Executive Director				
WONG Hoi Kuen	Beneficial owner	–	39,145 (Note d)	0.03%

Notes:

- (a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this Prospectus, which was 114,739,700 Shares.
- (b) Mr. Wong King Shiu, Daniel was granted a total of 3,430,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).
- (c) Mr. Li Sai Wing, MH, JP was granted 200,000 share options (prior to completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).
- (d) Mr. Wong Hoi Kuen was granted 340,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

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 (Note a)
Mr. Zhang	Beneficial owner	16,981,499 <i>(Registered shareholder)</i>	14.80%
		29,629 <i>(underlying interest) (Note b)</i>	0.03%
	Through controlled corporation	3,218,800 <i>(Registered shareholder) (Note c)</i>	2.81%
JStage Technology Limited	Beneficial owner	11,500,000 <i>(Registered shareholder) (Note d)</i>	10.02%

Notes:

- (a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this Prospectus, which was 114,739,700.
- (b) Mr. Zhang was granted 230,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).
- (c) The 3,218,800 Shares are held by Corporate Advisory Limited ("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.
- (d) The 11,500,000 Shares are held by JStage Technology, which is owned by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70% (as at the date of this Prospectus) 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.

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

The Director had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to the GEM Listing Rules were as follows:

Name of Director	Name of Company	Nature of Business	Nature of interest
So Han Meng Julian	China e-Wallet Payment Group Limited (delisted on 16 March 2026)	IT Business	Executive director

As the Board is independent to the board of the above mentioned company, the Group is capable of carrying on its business independently of and at arm's length, from the business of this company.

Save as disclosed above, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(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 2025 (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 392 Kwun Tong Road Kwun Tong, Hong Kong
Legal advisers to the Company in relation to the Rights Issue	<i>As to Hong Kong law:</i> Bird & Bird 6/F, The Annex, Central Plaza 18 Harbour Road Wanchai, Hong Kong <i>As to PRC law:</i> AllBright Law Offices (Fuzhou) 37/F, International Financial Center No.1 Wanglong 2nd Avenue Taijiang District Fuzhou, 350005 PRC <i>As to BVI law:</i> Ogier Floor 11 Central Tower 28 Queen's Road Central Central, Hong Kong
Auditor and reporting accountants	Prism Hong Kong Limited Certified Public Accountants Registered Public Interest Entity Auditor 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
	DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Central, 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

6. MATERIAL CONTRACTS

Save for the following, there was no material contract (not being contracts entered into in the ordinary course of business) which had been entered into by the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the Placing Agreement;
- (ii) the sale and purchase agreement dated 29 December 2025 entered into between Ms. Sin Ka Ka and the Company, pursuant to which the Company has agreed to sell, and Ms. Sin Ka Ka has agreed to purchase, 1 share with a par value of US\$1.00 (representing 100% of the issued share capital) in Rosy Depot Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, together with the inter-company loans advanced by the Company to Rosy Depot Limited (the “**Disposal**”). For further details, please refer to the announcement of the Company dated 29 December 2025 in relation to the Disposal;
- (iii) the placing agreement dated 19 November 2025 entered into between the Company and Glory Sun Securities Limited in respect of the placing, on a best efforts basis, of up to 14,000,000 new Shares. An aggregate of 14,000,000 placing shares have been successfully placed by the placing agent. The net proceeds from the placing were approximately HK\$3,881,000. For further details, please refer to the announcement of the Company dated 19 November 2025;
- (iv) 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;
- (v) the underwriting agreement dated 13 August 2025 entered into between the Company and the RaffAello Securities (HK) Limited in relation to the underwriting arrangement of the Previous Rights Issue. A total of 27,474,463 rights shares were issued under the Previous Rights Issue, and the net proceeds were approximately HK\$32.05 million; and
- (vi) 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 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 (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.

7. 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 Registered Public Interest Entity Auditor

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 2025 (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.

8. CLAIMS AND LITIGATION

Guangzhou Xinfeng Investment Consultancy Company Limited* (廣州信豐投資諮詢有限公司) (“**Xinfeng**”), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company holds the property situated at Zhuangshi Building, No. 123, Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC (the “**Property**”).

The Property is currently leased by the Vendor to Guangzhou City Jiayi Seniors Care Co. Ltd.* (廣州市嘉怡頤養院有限公司) (“**Guangzhou Jiayi**”), a company established under PRC laws with limited liability and an Independent Third Party, for a lease term from 5 March 2021 to 4 March 2041. Guangzhou Jiayi started to default on the lease payment since August 2024. Xinfeng has filed a lawsuit against 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 tenancy agreement and reclaim the outstanding rent of approximately RMB8.34 million and the leased premises. The date for the hearing of the lawsuit is to be confirmed and the leased premises is still occupied by Guangzhou Jiayi as at the date of this prospectus.

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.

9. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**Executive Directors:**

Mr. WONG King Shiu, Daniel (“Mr. Daniel Wong”), aged 66, 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 from 12 November 2020 to 31 March 2021. He has been 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. Mr. Daniel Wong joined the Group on 16 August 2017.

Mr. CHU Joshua Allen Kiu Wah (“Mr. Joshua Chu”), aged 39, has been appointed as executive Director with effective from 28 June 2024, He is a qualified lawyer and law lecturer in Hong Kong. In addition to his legal role, Mr. Joshua Chu is currently serving as Senior Consultant with Prosynergy. He is also serving as Senior Consultant, Legal Affairs and Strategic Growth of NewGenIVF Group (Nasdaq: NIVF) from 26 December 2025. Aside from his professional roles, Mr. Joshua Chu also serves as the current Co-Chair of the Hong Kong Web3 Association, legal advisor for Women in Web3 Hong Kong and director at Corporate Counsel Hong Kong Association. Mr. Joshua 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. Joshua 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. Joshua 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, aged 54, has been appointed as executive Director with effective from 1 November 2024. Mr. So 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. He is an executive director of China e-Wallet Payment Group Limited, (a company delisted on the Stock Exchange (Stock Code: 0802) on 16 March 2026) since 28 October 2025. 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:

Mr. LI Sai Wing, MH, JP, aged 42, has been appointed as non-executive Director with effect from 26 October 2022. Mr. Li has obtained his bachelor degree of administrative management from Jinan University and master degree of public administration from Sun Yat-Sen University. Currently, he is the Vice Chairman of Qingyuan Overseas Association and Federation of New Territories Youth respectively, an executive committee member of Democratic Alliance for the Betterment and Progress of Hong Kong and Hong Kong Volunteers Federation. Mr. 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. He was a district council member of Shatin District from 2012 to 2019. He was a member of the Legislative Council (New Territories South East) of Hong Kong from 2021 to 2025. He was the PR Project Supervisor of A-World Consulting Limited.

Ms. LEUNG Kar Ming, MH, aged 47, 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 the Hong Kong Special Administrative Region. 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 Hong Kong Ming Wah Shipping Co., Ltd..

Independent Non-executive Directors:

Mr. WONG Hoi Kuen (“Mr. Edmund Wong”), aged 65, is the chairman of the audit committee (“**Audit Committee**”), the remuneration committee (“**Remuneration Committee**”) and nomination committee (“**Nomination Committee**”) of the Company. 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) from 9 May 2011 to 30 September 2024. Mr. Edmund Wong was also the company secretary of China Infrastructure Investment Limited since 1 August 2023, the listing of securities of which were cancelled on the Main Board of the Stock Exchange on 15 November 2024.

Mr. CHU Wun Chiu, aged 31, 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. Mr. 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.

Ms. Do Do CHAN, aged 49, has been appointed as independent non-executive Director with effect from 17 November 2025. She is a member of the Audit Committee, Nomination Committee and Remuneration Committee. She is a solicitor in Hong Kong and Barrister and Solicitor in Australia. She is also a Chartered Engineer in United Kingdom and Hong Kong. Ms. Chan graduated from the University of Hong Kong with a Bachelor of Bachelor of Engineering. She obtained the Postgraduate Certificate in Laws from University of Hong Kong and Graduate Diploma in Legal Practice in The Australian National University. She also obtained Juris Doctor in The Australian National University. She is currently the Associate Legal Director, Head of the Legal & Compliance Department at Emperor International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 163) and also serves in Environment, Social and Governance Committee for Legal & Compliance Department in Emperor Group, where she leverages her expertise as an experienced lawyer and director level professional.

Senior Management:

Ms. LAM Mei Wai Michelle, 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 is the same as the Company's principal place of business at Unit 3308, 33/F, Millennium City, 392 Kwun Tong Road, Kwun Tong, Hong Kong.

Audit Committee

As at the Latest Practicable Date, the Audit Committee comprised all the independent non-executive Directors, namely Mr. Edmund Wong, Mr. Chu Wun Chiu and Ms. Do Do Chan.

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.

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 placing commission, printing, registration, translation, legal, financial advisory, accounting and other professional fees and related expenses, are estimated to be approximately HK\$0.93 million, subject to final subscription.

12. 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.
- (c) The principal place of business in Hong Kong is Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong.

13. 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.

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

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “**7. EXPERT AND CONSENT**” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) 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:

- (i) the annual reports of the Company for the year ended 31 December 2023, 31 December 2024 and 31 December 2025;
- (ii) the accountants’ report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (iii) the material contracts referred to in the section headed “**6. Material Contracts**” of this Appendix;
- (iv) the written consent referred to in the section headed “**7. Expert and Consent**” of this Appendix; and
- (v) 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.*