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Vixtel Technologies Holdings Limited

飛思達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1782)

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

Financial adviser to the Company



RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

Underwriter to the Rights Issue



PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.55 per Rights Share, to raise (before expenses) up to approximately HK\$139.7 million (assuming no change in the share capital of the Company on or before the Record Date and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) by issuing up to 254,000,000 Rights Shares to the Qualifying Shareholders.

The net proceeds from the Rights Issue after deducting the expenses, which will be borne by the Company, are estimated to be not more than approximately HK\$137.0 million (assuming no change in the share capital of the Company on or before the Record Date and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full). Assuming the net proceeds from the Rights Issue amounts to approximately HK\$137.0 million, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$117.7 million for the investment in and upgrade of big data and AI analysis technologies to expand its existing APM business through enhancement of product functionality to serve the market demands from various industries; and (ii) approximately HK\$19.3 million for general corporate and working capital purposes. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

THE UNDERWRITING AGREEMENT

On 21 April 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort and non-fully underwritten basis, up to 254,000,000 Underwritten Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the major terms and conditions precedent of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this announcement.

The Rights Issue is only underwritten on a best effort and non-fully underwritten basis. Pursuant to the Company’s constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of its ultimate subscription level.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter (or either of them, whichever shall be appropriate) will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue or open offer within the 12-month period immediately prior to the date of this announcement, (ii) the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not subject to Shareholders’ approval under the Listing Rules.

GENERAL

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only, but the Company will not send the PAL and EAF to the Excluded Shareholders.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Thursday, 19 May 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 30 May 2022 to Tuesday, 7 June 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.55 per Rights Share, to raise (before expenses) up to approximately HK\$139.7 million (assuming no change in the share capital of the Company on or before the Record Date and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) by issuing up to 254,000,000 Rights Shares to the Qualifying Shareholders.

On 21 April 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort and non-fully underwritten basis, up to 254,000,000 Underwritten Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the major terms and conditions precedent of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this announcement.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.55 per Rights Share
Number of existing Shares in issue as at the date of this announcement	:	508,000,000 Shares
Number of Rights Shares	:	Up to 254,000,000 Rights Shares (assuming no change in the share capital of the Company on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$2,540,000 (assuming no change in the share capital of the Company on or before the Record Date)
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 762,000,000 Shares (assuming no change in the share capital of the Company on or before the Record Date)
Maximum funds to be raised before expenses	:	Up to approximately HK\$139.7 million (assuming no change in the share capital of the Company on or before the Record Date and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the date of this announcement, the Company had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming no change in the share capital of the Company on or before the Record Date, 254,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) approximately 50% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the date of this announcement, the Company has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

The Rights Issue is only underwritten on a best effort and non-fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of its the ultimate subscription level.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter (or either of them, whichever shall be appropriate) will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Subscription Price

The Subscription Price is HK\$0.55 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for Excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 34.5% to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 39.2% to the average of the closing prices of approximately HK\$0.904 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 43.0% to the average of the closing prices of approximately HK\$0.965 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 38.7% to the average of the closing prices of approximately HK\$0.898 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 26.0% to the theoretical ex-rights price of approximately HK\$0.743 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a premium of approximately 25.4% over the audited net asset value (“NAV”) per Share of approximately HK\$0.4385 as at 31 December 2021, based on (a) the equity attributable to the Shareholders of approximately RMB181,858,000 as at 31 December 2021; (b) 508,000,000 issued Shares as at the date of this announcement; and (c) an exchange rate of RMB1: HK\$1.225 as at 31 December 2021 as extracted from Bloomberg; and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 13.6%, being the discount of the theoretical diluted price of approximately HK\$0.805 per Share to the benchmarked price of approximately HK\$0.932 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.84 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.932 per Share).

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.54.

The Subscription Price was set at a discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising dilution impact. The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the financial performance of the Group for the year ended 31 December 2021; (iii) the NAV of the Group as at 31 December 2021; and (iv) the reasons for and benefits of the Rights Issue as discussed in the section headed "Reasons for and benefits of the Rights Issue" in this announcement.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and apply for Excess Rights Shares subject to the level of acceptance; (iii) the proceeds from the Rights Issue can fulfil the development plan of the Group; and (iv) the Subscription Price represents a premium over the NAV per Share as at 31 December 2021.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date. As at the date of this announcement, the Shares were not eligible securities for southbound trading under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. As a result, the PRC Southbound Trading Investors cannot participate in the Rights Issue through ChinaClear.

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

In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 20 May 2022.

The last day of dealing in the Shares on cum-rights basis is Wednesday, 18 May 2022. The Shares will be dealt with on an ex-rights basis from Thursday, 19 May 2022.

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

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) (if any). If based on legal opinions provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholder(s) on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholder(s). As at the date of this announcement, there are 16 Overseas Shareholders with registered addresses situated in the PRC and the Cayman Islands.

The basis for excluding the Excluded Shareholder(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus only (without the PAL and the EAF) and a letter explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue to the Excluded Shareholders for their information only.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the relevant Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Excluded Shareholder(s) to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

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

Closure of register of members

The register of members of the Company will be closed from Monday, 23 May 2022 to Wednesday, 25 May 2022 (both dates inclusive) for determining the Shareholders' entitlements to the Rights Issue.

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

Basis of provisional allotments

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

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements of the Rights Shares" below.

Fractional entitlements of the Rights Shares

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed "Application for Excess Rights Shares" below. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter (or either of them, whichever shall be appropriate).

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 20 June 2022. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on or before Monday, 20 June 2022 by ordinary post to the applicants at their own risk, to their registered addresses.

Application for Excess Rights Shares

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares represent:

- (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) subject to the provisions of the Underwriting Agreement, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold; and
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares.

Application for Excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Friday, 10 June 2022.

The Directors will, upon consultation with the Underwriter, allocate any Excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application; and
- (iv) no preference will be given to topping up odd-lots to whole board lots.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by no later than 4:30 p.m. on Friday, 20 May 2022. Shareholders and investors of the Company should consult their professional advisers if they are in doubt as to their status.

Arrangement on odd lots trading

In order to facilitate the trading of odd lots (if any) of the Shares, the Company will appoint a designated broker to arrange for matching service on a best effort basis regarding the sale and purchase of odd lots of the Shares for a limited period of time. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement is recommended to consult his/her/its own professional advisers. Further details in respect of the odd lots trading arrangement will be set out in the Prospectus.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 5,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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

Condition of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

THE UNDERWRITING AGREEMENT

The Underwriting Agreement

On 21 April 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort and non-fully underwritten basis, up to 254,000,000 Underwritten Shares (assuming no change in the share capital of the Company on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein.

Principal terms of the Underwriting Agreement

Date	:	21 April 2022 (after trading hours)
Underwriter	:	Realord Asia Pacific Securities Limited
Number of Rights Shares to be underwritten	:	Up to 254,000,000 Rights Shares (assuming no change in the share capital of the Company on or before the Record Date) underwritten by the Underwriter on a best effort and non-fully underwritten basis pursuant to the terms and conditions of the Underwriting Agreement
Underwriting Commission	:	1.5% of the aggregate Subscription Price in respect of such number of the Rights Shares procured by the Underwriter for subscription pursuant to the Underwriting Agreement.

The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

The Rights Issue is underwritten by the Underwriter on a best effort and non-fully underwritten basis on the terms of the Underwriting Agreement.

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

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issues, and the current and expected market condition. The Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Save for the Underwriting Agreement, the Company has not entered into any agreement, arrangement, understanding or undertaking in regard of the Rights Issue with the Underwriter or any of its connected persons and their respective associate.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (i) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders for information only, if any, by no later than the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (iv) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof on or before the Latest Time for Termination;
- (v) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time for Termination;
- (vi) the Company having complied with all applicable laws and regulations;

- (vii) each party to the Underwriting Agreement having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated therein;
- (viii) the entering into of binding agreements by the Underwriter with certain subscriber(s) procured by the Underwriter and/or sub-underwriter(s), which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber(s) procured by the Underwriter and/or sub-underwriter(s) and/or party or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons or associates of the respective subscribers shall be interested in 30% or more of the issued share capital of the Company as enlarged by the Rights Issue;
- (ix) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (x) there being no Specified Event occurring on or before the Latest Time for Termination; and
- (xi) the Underwriter having received from the Company all the documents required under the Underwriting Agreement in such form and substance satisfactory to the Underwriter as soon as practicable after the date of the Underwriting Agreement, and not later than 4:00 p.m. on the Business Day immediately before the Prospectus Posting Date.

Save for the conditions (v) and (xi) which can be waived by the Underwriter and the Company jointly by notice in writing to the Company prior to the Latest Time for Termination, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, or waived (where applicable) by the Latest Time for Termination, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion or unrest, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole; or
- (v) in the absolute opinion of the Underwriter, there occurs any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the Prospectus Posting Date and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than twenty (20) consecutive trading days otherwise than due to or in connection with or in relation to the Underwriting Agreement and/or the Rights Issue and excluding any suspension in connection with the clearance of this announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue; or
- (viii) the Prospectus Documents when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

The Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement. For avoidance of any doubt, even if the Underwriter, in its sole and absolute opinion considers any COVID-19 related event to have caused a material adverse impact over the implementation of the Underwriting Agreement or the Rights Issue, it shall not be entitled to rely on such impact or its aftermath thereof as ground or reason to terminate or rescind the Underwriting Agreement and/or the Rights Issue.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

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

EXPECTED TIMETABLE

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

Event	2022
Publication of this announcement	Thursday, 21 April
Last day of dealings in Shares on a cum-rights basis	Wednesday, 18 May
First day of dealings in the Shares on an ex-rights basis	Thursday, 19 May
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 20 May
Register of members of the Company closes (both days inclusive)	Monday, 23 May to Wednesday, 25 May
Record Date for determining entitlements to the Rights Issue	Wednesday, 25 May
Register of members of the Company re-opens	Thursday, 26 May
Despatch of Prospectus Documents (in the case of Excluded Shareholders, the Prospectus only)	Thursday, 26 May
First day of dealing in nil-paid Rights Shares	9: 00 a.m. on Monday, 30 May
Latest time for splitting of the PAL	4:30 p.m. on Wednesday, 1 June
Last day of dealing in nil-paid Rights Shares	Tuesday, 7 June
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 10 June

Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional (if applicable)	4:00 p.m. on Monday, 13 June
Announcement of allotment results	Friday, 17 June
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for excess Rights Shares	Monday, 20 June
Expected first day of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 21 June
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Tuesday, 21 June
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	Wednesday, 13 July

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

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

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

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 10 June 2022. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 10 June 2022. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Friday, 10 June 2022, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group is principally engaged in (i) the provision of integrated APM system solutions by tailor-making its APM products to allow its customers to better manage and monitor their applications and networks; (ii) the provision of software development services through developing customised supporting software for upgrade and expansion of the APM products which are already integrated with its customers' systems and networks; (iii) the provision of technical services comprising operational support, system maintenance, network analysis and optimisation of full-chain of internet application and research study of specific topics on application and network performance; and (iv) the sales of embedded hardware and standard APM software to customers who do not require tailor-making services in the PRC. The Group's customers include state-owned and privately-run telecommunications operators, cable television providers, network equipment manufacturers and electric utilities companies.

For the year ended 31 December 2021, the financial performance of the Group recovered from the downfall in 2020 due to the COVID-19 pandemic. Revenue of the Group increased from approximately RMB81.0 million for the year ended 31 December 2020 to approximately RMB99.1 million for the year ended 31 December 2021, representing a growth of approximately 22.4%. This was primarily attributable to the increase in revenue generated from provision of integrated APM system solutions and software development services. Net profit attributable to the Shareholders increased significantly from approximately RMB1.1 million for the year ended 31 December 2020 to approximately RMB3.6 million for the year ended 31 December 2021.

As disclosed in the annual results announcement for the year ended 31 December 2021 (the “**2021 Annual Results**”), digital economy achieved rapid growth under the adverse impact of COVID-19 pandemic due to the popularisation of operators' services, especially 5G services, across the industries, which posed strong and diverse demands for APM services. The Group has been investing in 5G and cloud technology, including the Internet of Things (“**IoT**”). In 2021, the Group successfully developed product lines, such as intelligent 5G network operation and management, 5G messaging platform, 5G+ video and intelligent digital platform, and expanded its business to more than ten provincial branches of China Telecom and China Unicom in addition to some provincial branches of China Mobile. This has laid a foundation for the further development of the Group in the 5G field. However, the development of the Group's APM business in the 5G field is still in the initial stage. To capture the business growth opportunity arising from the breakthroughs in the 5G technology, the Group is anticipated to increase product flexibility as well as enhancing big data analytics and artificial technology (“**AI**”) capabilities to support various market demands.

Looking forward, the Group will expand its business into the 5G field, in particular the digital home field, as stated in the 2021 Annual Results. With the development of technology and advancement of China's overall strategies of building smart cities, the demand for digital household and IoT applications from household users and enterprises has been increasing. On the other hand, the data analytics provided by the Group has been assisting enterprises in improving business visibility, providing enterprises with overall insights into end-users' experience and forecasting business activities and user experience, which allow them to make data-driven decisions on business strategies. The Group will continue to invest in big data and AI analysis technologies and enhance its big data analytics and AI capabilities with a view to (i) broadening its product and service types for digital households and enterprises; and (ii) diversifying its customer base into various industries to reduce reliance on the state-owned telecommunication operators, thereby improving the income stream and profitability of the Group.

In particular, the Group targets to strengthen its research and development (“**R&D**”) with the core focus on big data platform by integrating the data system of the whole industry chain. The Group targets to upgrade the data system to be equipped with high efficacy technical capability to conduct big data mining, concurrent performance processing, privacy computing and intelligent routing. The Group believes that the high efficacy in such capabilities is vital to maintaining the Group’s competitiveness under the rapidly evolving market with increasingly fierce competition, such that the Group will be able to timely capture the market opportunities and expand its business. The enhanced capabilities are expected to facilitate the long-term growth and development of the Group as well as to increase the Group’s resilience in market downturn. Therefore, the Group intends to conduct the Rights Issue to raise the required funds to invest in these big data analytics and AI capabilities, details of which are set out in the section headed “Intended use of proceeds” below.

Alternative means of fund raising

The Directors have considered other alternative means of fund raising, such as debt financing/bank borrowings and placing of new Shares, before resolving to the Rights Issue. The Company has considered the pros and cons of different fund-raising options. In respect of debt financing, the Directors consider debt financing will result in additional interest burden and subject the Group to repayment obligations. In addition, as the Group does not have material fixed assets which is satisfactory to the banks to be served as collaterals, debt financing may not be achievable on favourable terms in a timely manner or may require pledge of other kind of assets or securities which may reduce the Group’s flexibility.

As for equity fund raising, such as placing of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue by offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

In comparison, the Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to (i) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (ii) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, rights issue is preferred. Accordingly, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, other than the Rights Issue, the Company did not have any other fund-raising plan.

INTENDED USE OF PROCEEDS

The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$137.0 million (assuming no change in the number of Shares in issue on or before the Record Date and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full).

The Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately HK\$117.7 million for the investment in and upgrade of big data and AI analysis technologies to expand its existing APM business through enhancement of product functionality to serve the market demands from various industries including (a) the development of big data mining capability, which includes the R&D of a software that would be able to identify the required information efficiently from the big data with specific technologies; (b) the development of big data concurrent performance processing capability, which would expedite the data processing time and allow for concurrent tasks processing to meet the growing demand and volume of big data; (c) the development of big data privacy computing capability, which would create a protective mean on the privacy of big data usage; and (d) the development of big data intelligent routing capability, which would lower the operating cost of big data management by sorting and routing different types of data into their corresponding optimal storage media. Such investment and upgrade can be made by the Group through (a) potential merger and acquisition opportunities of companies engaged in R&D of IoT, AI and cloud technologies and provision of information technology (“IT”) solutions with big data analytics and AI capabilities in the PRC; (b) own capital expenditure on big data processing platforms or systems; (c) acquiring comprehensive market and industry databases; and/or (d) recruitment of additional R&D staff with data analytical capabilities.

As disclosed in the announcement of the Company dated 31 March 2022, the Company entered into a non-legally binding memorandum of understanding with two potential vendors in relation to a possible acquisition (the “**Possible Acquisition**”) of certain equity interest in 廣東樂維軟件有限公司 (Guangdong Lewei Software Co., Ltd.) (the “**Target Company**”). The Target Company and its subsidiaries are principally engaged in the R&D, sales, consulting and maintenance of comprehensive IT solutions for corporations in the PRC, and are specialised in providing intelligent monitoring solutions, hosting services, technical support and technical consulting services to corporations, with clienteles covering various industries including but limited to finance, education, military, government, medical and telecommunications.

As at the date of this announcement, the negotiation on the Possible Acquisition was still ongoing and no definitive sale and purchase agreement has been signed by the parties. If the Possible Acquisition proceeds, it is expected that part of the net proceeds from the Rights Issue will be used to finance the consideration for the Possible Acquisition. As at the date of this announcement, other than the Target Company, the Company has not identified any other target companies for potential acquisition; and

- (ii) approximately HK\$19.3 million for general corporate and working capital purposes.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

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

For illustration purposes only, set out below is the shareholding structure of the Company as at the date of this announcement, and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement (assuming there is no change in the share capital of the Company on or before the Record Date):

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders have taken up all the entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares and all Untaken Shares were subscribed for by or through the Underwriter)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Phoenix Wealth (Cayman) Asset Management Limited (Note 1)	379,810,000	74.8	569,715,000	74.8	379,810,000	49.9
The Underwriter and/or its subscriber(s) procure by it (Note 2)	–	–	–	–	254,000,000	33.3
Public Shareholders	128,190,000	25.2	192,285,000	25.2	128,190,000	16.8
Total	<u>508,000,000</u>	<u>100.0</u>	<u>762,000,000</u>	<u>100.0</u>	<u>762,000,000</u>	<u>100.0</u>

Notes:

- Phoenix Wealth (Cayman) Asset Management Limited (鳳凰財富(開曼)資產管理有限公司*) is an exempt company incorporated in the Cayman Islands with limited liability and is wholly-owned by Mr. Du Li.
- Pursuant to the Underwriting Agreement, the Underwriter has undertaken to the Company that (i) it shall use its best endeavours to procure that each of the subscribers of the Untaken Shares procured by it (including any direct and indirect sub-underwriters) shall be a third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial Shareholders of the Company (within the meaning of the Listing Rules) or any of their respective associates; (ii) it will procure each and any of the subscribers of the Untaken Shares procured by it (including any direct and indirect sub-underwriters) not to, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold in aggregate thirty per cent (30%) or more of the voting rights of the Company immediately upon completion of the Rights Issue; (iii) it will underwrite solely on a best effort basis, and not in a fully underwritten basis. In any event, the Underwriter will not underwrite to the extent, together with any party acting in concert (within the meaning of the Takeovers Code) or its associates, hold thirty per cent (30%) or more of the voting rights of the Company immediately upon completion of the Rights Issue; and (iv) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations under the Underwriting Agreement, it agrees to take appropriate steps together with the other sub-underwriters as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08(1) of the Listing Rules.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the date of this announcement.

LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue or open offer within the 12-month period immediately prior to the date of this announcement, (ii) the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

GENERAL

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only, but the Company will not send the PAL and EAF to the Excluded Shareholders.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement"). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Thursday, 19 May 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 30 May 2022 to Tuesday, 7 June 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“APM”	application performance management
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Company”	Vixtel Technologies Holdings Limited (飛思達科技控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1782)
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
“Excess Rights Shares”	any nil-paid Rights Share(s) provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall include any of the Rights Shares created from the aggregation of fractions of the Rights Shares

“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong governmental department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department in July 2021, in the event of serious disruption of public transport services, or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Last Trading Day”	21 April 2022, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 10 June 2022 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on the following Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong

“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as the Company may approve
“PRC”	the People’s Republic of China
“PRC Southbound Trading Investor(s)”	the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect who hold(s) the Share(s) through ChinaClear and/or HKSCC Nominees Limited as nominee(s)
“Prospectus Posting Date”	Thursday, 26 May 2022 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholders”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	the date by reference to which entitlements under the Rights Issue are expected to be determined, which is currently scheduled to be on Wednesday, 25 May 2022 or such later date as announced by the Company
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in issue and unissued share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares

“Specified Event”	an event occurring or matter arising on or after the date of execution of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of execution of the Underwriting Agreement, would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.55 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Underwriter”	Realord Asia Pacific Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO whose ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 21 April 2022 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Share(s)”	all the Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Untaken Shares”	all those Underwritten Shares not taken up by the Qualifying Shareholders on or before the Latest Time for Acceptance
“%”	per cent.

* *For identification purpose only*

By order of the Board
Vixtel Technologies Holdings Limited
Guan Haiqing
Chairman and executive Director

Hong Kong, 21 April 2022

As at the date of this announcement, the executive Directors are Mr. Guan Haiqing, Mr. Sie Tak Kwan and Mr. Shi Zhimin; and the independent non-executive Directors are Mr. Yeung Man Simon, Mr. Hu Jianjun and Ms. Ru Tingting.