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# THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Vixtel Technologies Holdings Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed “13. Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “Warning of the Risks of Dealing in Shares and nil-paid Rights Shares” in the “Letter from the Board” in this Prospectus.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, or such other dates as determined by HKSCC and you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. 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.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, 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.

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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)

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

Financial advisers to the Company



RAINBOW CAPITAL (HK) LIMITED  
瑞博資本有限公司

Underwriter of the Rights Issue



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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Prospectus, unless otherwise stated.

**The Rights Issue is only underwritten on a best effort and non-fully underwritten basis.** In the event of under-subscription, the Underwriter has no obligation to and may not subscribe for or procure the subscription of any Rights Share not being taken by the Qualifying Shareholders. 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. 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. The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Monday, 13 June 2022). If the Underwriting Agreement does not become unconditional at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Monday, 30 May 2022 to Tuesday, 7 June 2022 (both days inclusive). If the Underwriting Agreement does not become unconditional or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons contemplating any dealing in the Shares and/or the nil-paid Rights Shares shall accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any Shareholders or other persons contemplating any dealing in the Shares and/or the nil-paid Rights Shares are recommended to consult their own professional advisers and exercise caution.

The latest date and time for acceptance of and payment for the Rights Shares and application for and payment for the Excess Rights Shares is 4:00 p.m. on Friday, 10 June 2022. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 18 to 20 of this Prospectus set out in the section headed “Letter from the Board – Rights Issue – Procedures for acceptance and payment or transfer” in this Prospectus.

26 May 2022

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## EXPECTED TIMETABLE

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*The expected timetable for the implementation of the Rights Issue is set out below. The expected timetable is for indicative purpose only and may be subject to change, and any such change will be announced by the Company as and when appropriate. The expected timetable has been prepared on the assumption that all the conditions precedent of the Rights Issue will be fulfilled.*

<b>Event</b>	<b>Time and Date 2022</b>
First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Monday, 30 May
Latest time for splitting of PALs. . . . .	4:30 p.m. on Wednesday, 1 June
Last day of dealings in nil-paid Rights Shares . . . . .	Tuesday, 7 June
Latest time for acceptance of and payment for the Rights Shares and application for and payment for the Excess Rights Shares . . . . .	4:00 p.m. on Friday, 10 June
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Monday, 13 June
Announcement of results of the Rights Issue . . . . .	Friday, 17 June
Despatch of share certificates for fully-paid Rights Shares . . . . .	Monday, 20 June
Despatch of refund cheques, if any, in respect of wholly or partially unsuccessful application for the Excess Rights Shares. . . . .	Monday, 20 June
Commencement 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 the New Shares. . . . .	9:00 a.m. on Tuesday, 21 June
Designated broker ceases to provide matching services for odd lots of the New Shares. . . . .	4:00 p.m. on Wednesday, 13 July

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## EXPECTED TIMETABLE

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All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are for indicative purpose only and may be extended or varied by the Company in agreement with the Underwriter and in accordance with the Listing Rules. 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 AND APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and application and payment for the Excess 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 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 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 does not take place on or before 4:00 p.m. on Friday, 10 June 2022, the dates of events subsequent to the Latest Time for Acceptance mentioned in this section may be affected. An announcement will be made as soon as practicable by the Company in such event.

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## DEFINITIONS

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*In this Prospectus, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 21 April 2022 in relation to the Rights Issue
“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
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“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 and the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any)
“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

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## DEFINITIONS

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“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
“Irrevocable Undertaking”	the irrevocable undertaking dated 17 May 2022 given by Phoenix Wealth in favour of the Company, the details of which are set out in the paragraph headed “Irrevocable Undertaking” under the section headed “Rights Issue” in this Prospectus
“Last Trading Day”	21 April 2022, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	20 May 2022, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“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 and application and payment for the Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Monday, 13 June 2022, being 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

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## DEFINITIONS

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“Phoenix Wealth”	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
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“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”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“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
“Public Float Requirement”	the public float requirement under Rule 8.08(1) of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) 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



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## DEFINITIONS

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“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
“Scale-down EAF Share”	such number of Rights Shares as are applied for under the EAF(s) which would, if allotted by the Company, result in the Company’s failure to comply with the Public Float Requirement
“Scale-down PAL Shares”	such number of Rights Shares as are applied for under the PAL(s) which would, if allotted by the Company, result in the Company’s failure to comply with the Public Float Requirement
“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

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## DEFINITIONS

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“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*

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### 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

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (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 the 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 (save as certain provisions specified therein) 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.**

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Guan Haiqing (*Chairman*)

Mr. Sie Tak Kwan

Mr. Shi Zhimin

*Headquarters in the PRC:*

4/F, Block 2

Founder Building

9 Shangdi Fifth Street

Haidian District

Beijing

China

*Independent Non-executive Directors:*

Mr. Yeung Man Simon

Mr. Hu Jianjun

Ms. Ru Tingting

*Principal place of business in Hong Kong:*

40th Floor

Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

*Registered Office:*

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

26 May 2022

*To the Qualifying Shareholders, and for information only, to the Excluded Shareholders*

Dear Sir or Madam,

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

#### **INTRODUCTION**

Reference is made to the Announcement of the Company in relation to 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 Underwritten Shares are underwritten by the Underwriter on a best effort and non-fully underwritten basis, pursuant to the terms of the Underwriting Agreement.

The purpose of this Prospectus is to provide you with, among other things, further details on (i) the Rights Issue and the underwriting arrangement; (ii) the financial information of the Group; (iii) the unaudited pro forma financial information of the Group; and (iv) the general information of the Group.

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## LETTER FROM THE BOARD

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### 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 64,095,000 Underwritten Shares (other than those agreed to be taken up by Phoenix Wealth pursuant to the Irrevocable Undertaking and 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. Details of the major terms and conditions precedent of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this Prospectus.

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 Latest Practicable Date	:	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)

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## LETTER FROM THE BOARD

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### Issue statistics

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 entitlements

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 21 November 2016. No share options have been granted or exercised under the Share Option Scheme since its adoption. As at Latest Practicable Date, 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 represents (i) approximately 50% of the total number of issued Shares as at the Latest Practicable Date; 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 Latest Practicable Date, except for the Irrevocable Undertaking given by Phoenix Wealth, the Board 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 the ultimate subscription level, and up to 254,000,000 Rights Shares can be subscribed subject, however, to any scale-down due to the Public Float Requirement.**

**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.**

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## LETTER FROM THE BOARD

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### 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 the 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 discount of approximately 31.3% to the closing price of HK\$0.800 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (vii) 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 Latest Practicable Date; and (c) an exchange rate of RMB1: HK\$1.225 as at 31 December 2021 as extracted from Bloomberg; and
- (viii) 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).



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## LETTER FROM THE BOARD

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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 that the Hong Kong stock market had experienced a downturn over the last year with the Hang Seng Index decreasing by approximately 27.7% from 28,621.92 points on 21 April 2021 to 20,682.22 points on 21 April 2022 (i.e. the date of the Announcement); (ii) the financial performance of the Group for the year ended 31 December 2021 with profit attributable to the Shareholders of approximately RMB3.6 million which is relatively moderate and insufficient for funding the Group's future development; (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 Prospectus.

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 Latest Practicable Date, 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.

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## LETTER FROM THE BOARD

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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.

Based on the register of members of the Company as the Latest Practicable Date, there were 2 Overseas Shareholders with registered addresses situated in the PRC and the Cayman Islands with the following shareholding structure:

<b>Jurisdiction</b>	<b>Number of Overseas Shareholders</b>	<b>Aggregate number of Shares held by Overseas Shareholders in the jurisdiction</b>	<b>Approximate percentage of shareholdings</b>
The PRC	1	1,240,000	0.24
Cayman Islands	1	379,810,000	74.77
Total	2	381,050,000	75.01

Pursuant to Rule 13.36(2) of the Listing Rules, the Company has made enquiry in respect of the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory body or stock exchange in those places for the Company to extend the Rights Issue to the Overseas Shareholders. Based on the relevant legal advice on the laws of the PRC and the Cayman Islands, the Board is of the view that it is not necessary or expedient to exclude the Overseas Shareholders with the registered address in the PRC or the Cayman Islands. In particular, under the currently effective legislations of these jurisdictions, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to the extending of the Rights Issue by the Company to the Overseas Shareholders in the relevant jurisdictions, provided that such Overseas Shareholders shall comply with and fulfill the provisions of the relevant laws and regulations as well as the policies and requirements of the relevant government authorities.

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## LETTER FROM THE BOARD

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Accordingly, the Rights Issue will be extended to such Overseas Shareholders in the PRC and the Cayman Islands and there are no Excluded Shareholders for the Rights Issue as at the Latest Practicable Date. Save for the aforesaid Overseas Shareholders, all Shareholders on the Company's register of members as the Latest Practicable Date have Hong Kong registered addresses.

The Company will continue to ascertain whether there are any other Overseas Shareholders as at the Record Date and will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder as at the Record Date.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for 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 fully complied with. 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 or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

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, the Overseas Shareholders should exercise caution when dealing in the Shares. The Company reserves the right to treat as invalid any acceptance of or applications 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 should exercise caution when dealing in the Shares.**

### **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.

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## LETTER FROM THE BOARD

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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 the 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.

### **Application for the Rights Shares**

The PALs and the EAFs relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein and application by Qualifying Shareholders shall be made by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar of the Company by the Latest Time for Acceptance.

### **Procedures for acceptance and payment or transfer**

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 10 June 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR INVESTOR SERVICES LIMITED – A/C NO. 040" and crossed "ACCOUNT PAYEE ONLY".

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## LETTER FROM THE BOARD

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Friday, 10 June 2022, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged to but 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 applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of the 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 or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Wednesday, 1 June 2022 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the banker's cashier 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 cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

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## LETTER FROM THE BOARD

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If the Underwriter exercise the right to terminate or rescind the Underwriting Agreement or if the condition precedent of the Rights Issue as set out in the paragraph headed “Condition of the Rights Issue” below is not fulfilled at or before 4:00 p.m. on Monday, 13 June 2022 (or such later time or date as may be agreed between the Underwriter and the Company), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 20 June 2022.

No receipt will be issued in respect of any PAL and/or remittances received.

### **Scale-down of subscriptions to avoid the non-compliance of the Public Float Requirement**

As the Rights Issue is only underwritten by the Underwriter on a best effort and non-fully underwritten basis, depending on the level of subscription of the Rights Shares by other Qualifying Shareholders, the application for Rights Shares under the PAL(s) or EAF(s) by Phoenix Wealth may result in the non-compliance by the Company of the Public Float Requirement under Rule 8.08(1) of the Listing Rules.

To avoid the non-compliance of the Public Float Requirement, all applications for the Rights Shares, whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter, will be made on the basis that the applications are to be scaled-down by the Company to a level which does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares or Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through EAF(s). The scale-down of applications of Rights Shares will be decided by the Directors on a fair and equitable basis under the following principles: (i) EAF(s) should be scaled down before PAL(s); and (ii) where the scale-down is necessitated by the exceeding of shareholdings or voting right on a group basis, the scale down should normally be made on a pro rata basis by reference to the number of Shares or voting rights as amongst the group members on the Record Date.

### **Irrevocable Undertaking**

As at the Latest Practicable Date, Phoenix Wealth is interested in an aggregate of 379,810,000 Shares, representing approximately 74.8% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Phoenix Wealth has unconditionally and irrevocably undertaken to the Company, among other things, that

- (i) subject to (iii) below, it shall accept and subscribe for an aggregate of 189,905,000 Rights Shares under the PAL(s) representing full acceptance of its provisional entitlements under the Rights Issue;



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## LETTER FROM THE BOARD

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- (ii) the 379,810,000 Shares held by it will continue to be beneficially owned by it on the Record Date and it shall not sell, transfer or otherwise dispose of the Shares held by it in any manner before the completion or lapse of the Rights Issue; and
- (iii) it will subscribe for the Rights Shares up to a level such that the Public Float Requirement will be complied with upon completion of the Rights Issue. To avoid the non-compliance of the Public Float Requirement, the application for Rights Shares to be made by it will be on the basis that it consents and authorises the Company to apply adjustments and to scale down such number of Rights Shares to be offered to it to a level which does not result in non-compliance of the Public Float Requirement on the part of the Company.

### **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 and payment for the 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;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares; and
- (iv) the Scale-down PAL Shares (if any) and Scale-down EAF Shares (if any).

Application for the Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the amount payable for the Excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4: 00 p.m. on Friday, 10 June 2022. All remittances must

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## LETTER FROM THE BOARD

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be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR INVESTOR SERVICES LIMITED – A/C NO. 056" and crossed "ACCOUNT PAYEE ONLY".

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 the 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 the Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for the 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.

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Friday, 17 June 2022. If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for the Excess Rights Shares, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post by the



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## LETTER FROM THE BOARD

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Registrar at his/her/its own risk on or before Monday, 20 June 2022. If the number of the Excess Rights Shares allotted to a Qualifying Shareholder is fewer than that applied for, the surplus application monies without interest are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Monday, 20 June 2022.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for the Excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereto, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation, and in that event, all rights thereunder will be deemed to have been declined and will be cancelled.

The EAF is for use only by the Qualifying Shareholders to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If the Underwriters exercise the right to terminate or rescind the Underwriting Agreement or if the conditions precedent of the Rights Issue as set out in the paragraph headed "Condition of the Rights Issue" below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Monday, 13 June 2022 (or such later time or date as may be agreed between the Underwriter and the Company), the monies received in respect of application for the Excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 20 June 2022.

It should be noted that no receipt will be issued in respect of any EAF and/or remittances received.

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## LETTER FROM THE BOARD

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### **Rights Issue on a best effort and non-fully underwritten basis**

Pursuant to the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort and non-fully underwritten basis. In the event of under-subscription, the Underwriter has no obligation to and may not subscribe for or procure the subscription of any Rights Share not being taken by the Qualifying Shareholders. Any Shareholder who applies to take up all or part of his entitlement under the PAL or apply for the Excess Rights Shares under the EAF may also unwittingly incur an obligation to make a general offer under the Takeovers Code.

Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules. Investors are advised to exercise caution when dealing in the Shares. There is no minimum amount to be raised under the Rights Issue.

### **Taxation**

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 Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It should be noted that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares in both their nil-paid and fully-paid forms.

### **Arrangement on odd lots trading**

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed Realord Asia Pacific Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Realord Asia Pacific Securities Limited – Customer Service Department (address: Suites 2402, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong or call at (852) 3755 5888) during the period from Tuesday, 21 June 2022 at 9:00 a.m. to Wednesday, 13 July 2022 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the 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 lot facility, is recommended to consult his/her/its own professional advisers.

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## LETTER FROM THE BOARD

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### **Application for listing of the Rights Shares**

The Company has made an application 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.

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## LETTER FROM THE BOARD

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### 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 64,095,000 Underwritten Shares (other than those agreed to be taken up by Phoenix Wealth pursuant to the Irrevocable Undertaking and 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 64,095,000 Rights Shares (other than those agreed to be taken up by Phoenix Wealth pursuant to the Irrevocable Undertaking and 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.

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## LETTER FROM THE BOARD

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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.

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. Corresponding sub-underwriting agreements will be signed such that the Rights Issue would not trigger obligations under the Takeovers Code and the Company would comply with Rule 8.08(1) at all times. As at the Latest Practicable Date, the Underwriter has not procured any sub-underwriter and/or subscriber. Any sub-underwriter procured by the Underwriter shall meet the requirement under Rule 7.19(1) of the Listing Rules and shall be third party independent of and not connected with the Company and its connected persons.

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;

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## LETTER FROM THE BOARD

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- (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 the publication of the Prospectus Documents.

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.

As at the Latest Practicable Date, none of the conditions precedent above has been satisfied or fulfilled. Further, conditions precedent (v) and (xi) have not been waived by the Underwriter and the Company as at the Latest Practicable Date.

## LETTER FROM THE BOARD

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date, 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 new Share being issued and no Share being repurchased by the Company on or before the Record Date):

Name of Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders have taken up all the entitled Rights Shares)		Immediately upon completion of the Rights Issue (assuming that Phoenix Wealth has taken up its Rights Shares under the Irrevocable Undertaking and none of the other Qualifying Shareholders have taken up any of their entitled Rights Shares with all the Untaken Shares being subscribed for through the Underwriter) (Note 3)		Immediately upon completion of the Rights Issue (assuming that Phoenix Wealth has taken up its Rights Shares under the Irrevocable Undertaking and none of the other Qualifying Shareholders have taken up any of their entitled Rights Shares and none of the Untaken Shares were subscribed for through the Underwriter) (Note 4)	
	Number	Approximate	Number	Approximate	Number	Approximate	Number	Approximate
	Shares	%	Shares	%	Shares	%	Shares	%
Phoenix Wealth (Note 1)	379,810,000	74.8	569,715,000	74.8	569,715,000	74.8	384,570,000	75.0
The Underwriter and/or its subscriber(s) procured by it (Note 2)	–	–	–	–	64,095,000	8.4	–	–
Public Shareholders	128,190,000	25.2	192,285,000	25.2	128,190,000	16.8	128,190,000	25.0
<b>Total</b>	<b>508,000,000</b>	<b>100.0</b>	<b>762,000,000</b>	<b>100.0</b>	<b>762,000,000</b>	<b>100.0</b>	<b>512,760,000</b>	<b>100.0</b>

Notes:

- Phoenix Wealth is an exempt company incorporated in the Cayman Islands with limited liability and is wholly-owned by Mr. Du Li.



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## LETTER FROM THE BOARD

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2. 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 (or the Underwriter concerned, whichever shall be appropriate) shall be an Independent Third Party of and not connected with the Company, any of the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates; (ii) each subscriber procured by the Underwriter (or the Underwriter concerned, whichever shall be appropriate), together with parties acting in concert with respective subscribers or any of the connected persons or associates of the respective subscribers shall not, hold in aggregate thirty per cent (30%) or more of the voting rights of the Company immediately after 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. The Underwriter and/or its sub-underwriters would subscribe the Underwritten Shares up to a level such that the Public Float Requirement will be complied with upon completion of the Rights Issue. For avoidance of doubt, the Underwriter and/or its sub-underwriters will ensure each subscriber or investor procured by it or its sub-underwriter(s) will hold less than 10% of the voting rights of the Company upon completion of the Rights Issue and is an Independent Third Party.
3. Since the shareholding of Phoenix Wealth is already close to the upper limit of 75%, if no other Qualifying Shareholder participates in the Rights Issue, the Underwriter must successfully subscribe or procure subscription for at least some Underwritten Shares in order to maintain the Public Float Requirement. Otherwise, part of the Rights Shares undertaken by Phoenix Wealth, notwithstanding the Irrevocable Undertaking, will be scaled down to a level which would not result in non-compliance with the Public Float Requirement on the part of the Company.
4. If only Phoenix Wealth participates in the Rights Issue and none of the Untaken Shares are successfully procured for subscription by the Underwriter, the scaling-down mechanisms of the Rights Issue will operate to scale-down the Rights Shares undertaken by Phoenix Wealth to a level which would not result in non-compliance with the Public Float Requirement on the part of the Company. In such circumstance, Phoenix Wealth shall only take up 4,760,000 Rights Shares and shall be interested in an aggregate of 384,570,000 Shares, representing 75.0% of the enlarged issued share capital of the Company upon completion of the Rights Issue.

Assuming there is no new Share being issued and no Share being repurchased by the Company on or before the Record Date, the shareholding in the Company held by the existing public Shareholders would be diluted from approximately 25.2% as at the Latest Practicable Date to approximately 16.8% if none of Qualifying Shareholders have taken up any entitled Rights Shares and all the unsubscribed Rights Shares are subscribed by or through the Underwriter.

After taking into account that Phoenix Wealth would subscribe for the Rights Shares up to a level such that the Public Float Requirement will be complied with upon completion of the Rights Issue, the Directors are of the view that the Company will fulfill its responsibility to comply with Rule 8.08(1) of the Listing Rules at all times, in particular upon completion of the Rights Issue.



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## LETTER FROM THE BOARD

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### INFORMATION ON THE UNDERWRITER

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.

### 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 Group's annual report for the year ended 31 December 2021 (the **"2021 Annual Report"**), 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.

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## LETTER FROM THE BOARD

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Looking forward, the Group will expand its business into the 5G field, in particular the digital home field, as stated in the 2021 Annual Report. 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.

In determining the subscription ratio of the Rights Issue, the Directors have taken into account, among other things, (i) the amounts of net proceeds to be raised as compared to the market capitalisation of the Company of approximately HK\$426.7 million as at the date of the Underwriting Agreement; (ii) that the Subscription Price shall be set at certain discount levels to the recent closing prices of the Shares at which the Underwriter or its sub-underwriters may accept while encouraging the participation of the Shareholders in the Rights Issue; and (iii) the requirements of the Listing Rules that the Rights Issue shall not increase the number of issued Shares or the market capitalisation of the Company by more than 50% without Shareholders' approval. The current ratio of one Rights Share for every two Shares held on the Record Date enables the Company to raise sufficient fund for business development while keeping the theoretical value dilution at a reasonable level. On the other hand, other subscription ratios would result in either insufficient funding for fulfilling the Group's funding needs or excess funding at the expense of a significant theoretical value dilution to the existing Shareholders. The Company has not considered any alternative ratios. As such, the Directors consider that the Company's current proposed 1-to-2 ratio is in the best interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **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. The effective interest rates of the Group's bank borrowings were in the range of 3.65% to 3.75% for the year ended 31 December 2021. The Directors expect that the interest rates of new borrowings to be obtained by the Company to be around 4%, provided that the size of new borrowings is similar to that of the current bank borrowings. Given that the notably increasing trend of interest rates in global capital market, the Directors expects that the level of interest rates currently borne by the Group may not be necessarily obtainable in future. The Directors consider that bank borrowings will carry interest costs, affect the Group's gearing position and may require the provision of security and creditors will rank before the Shareholders in the event of liquidation. In comparison, the Rights Issue enables the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs. Based on the above, the Directors consider that it is in the interest of the Company and its Shareholders to conduct the Rights Issue instead of bank borrowings.

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 Latest Practicable Date, other than the Rights Issue, the Company did not have any other fund-raising plan.

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## LETTER FROM THE BOARD

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### 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 the 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 (the “**Target Group**”) 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.

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## LETTER FROM THE BOARD

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The Directors consider that following the Possible Acquisition, the Group will be able to integrate the intelligent IT solution capability possessed by the Target Group into the APM solutions of the Group, thereby expanding the range of products of the Group to support various market demands and enhancing the competitiveness of the Group. In addition, as the clientele of the Target Group covers a wide range of industries, the Possible Acquisition is also expected to expand the customer base and broaden the income instream of the Group.

As at the Latest Practicable Date, 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 materialises, it is expected to constitute a major transaction for the Company under Chapter 14 of the Listing Rules and part of the net proceeds from the Rights Issue will be used to finance the consideration for the Possible Acquisition. As at the Latest Practicable Date, 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.

If the Rights Shares are not fully taken up, the Company may consider other fund-raising exercises, whether in the form of equity and/or debt financings, for its business development and working capital, including but not limited to placing of new Shares or debt securities to independent individuals, corporate and/or institutional and professional investors, depending on the then prevailing market conditions. Notwithstanding the foregoing, the Directors confirm that as at the Latest Practicable Date, other than the Rights Issue, the Company had no concrete plan to conduct any fund-raising activity. If the Rights Shares are fully taken up, the Company has no intention to conduct any other fund-raising exercises.

### **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 Latest Practicable Date.

### **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 the 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.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

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

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

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 section headed “Termination of the Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

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.

Yours faithfully,  
By order of the Board  
**Vixtel Technologies Holdings Limited**  
**Guan Haiqing**  
*Chairman and executive Director*

**1. FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial statements of the Group for the three financial years ended 31 December 2019, 2020 and 2021 are disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.vixtel.com>):

- (i) The audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 25 April 2022, from pages 56 to 123: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042500285.pdf>
- (ii) The audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 9 April 2021, from pages 51 to 115: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0409/2021040900646.pdf>
- (iii) The audited financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December 2019 published on 6 April 2020, from pages 50 to 113: <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0406/2020040600668.pdf>

**2. INDEBTEDNESS OF THE GROUP**

As at the close of business on 30 April 2022, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the publication of this Prospectus, the Group had outstanding indebtedness comprising bank borrowings of approximately RMB10.0 million and lease liabilities of approximately RMB1.4 million.

Among the outstanding bank borrowings as at 30 April 2022, RMB5.0 million was unguaranteed and secured by the pledge of certain of the Group's time deposit amounting to RMB5.5 million and the remaining RMB5.0 million was unguaranteed and unsecured.

As at 30 April 2022, the Group had no material commitments and contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade payables and other payables in the ordinary course of business, at the close of business on 30 April 2022, the Group did not have any debt securities issued or outstanding, or authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.



**3. WORKING CAPITAL STATEMENT**

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the existing cash and cash equivalents of approximately RMB57.1 million as at 30 April 2022, successful renewal of existing banking facilities of RMB10.0 million and subject to the successful subscription of the entire Rights Issue with estimated net proceeds of approximately RMB111.9 million (equivalent to HK\$137.0 million), the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

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.

In 2021, digital economy achieved rapid growth in the adverse environment. The popularisation of operators' services, especially 5G services, across the industries, posed strong and diverse demands for APM. During the year ended 31 December 2021, the Group's business faced both challenges and opportunities. The digital home APM field kept abreast of technological advancement and developed steadily. The Group was poised to forge ahead with 5G+ application performance management field and has successfully developed product lines, such as intelligent 5G network operation and management, 5G messaging platform, 5G+ video and intelligent digital platform, and actively tapped into the relevant markets. The Group achieved business performance marked by steady growth, representing the Group's success in realising the Group's business upgrade and transformation strategy, and secured the corresponding benefits preliminarily.



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.

Looking forward to 2022, the Group will build on its past achievements and press ahead to consolidate business in digital home field and make every effort to expand its business into the 5G field. The Group will continue to invest in big data and artificial technology (“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.

As the operators in the digital home business field have shifted its focus from large-scale operation to intelligent operation and quality operation, a large number of smart home products have been put into commercial use. The Group will continue to invest in research and development of and market expansion of video-centric digital home experience and security products, and strengthen its efforts in application performance technology innovation and product research and development including cloud VR, cloud gaming, pan-screen TV, multi-screen interaction, whole house intelligence, whole house smart connect, home security and remote education, to maintain its leading position in technological advancement as well as market share and provide more business revenue growth points.

In 2022, on the premise that both products and markets in the 5G field have achieved breakthroughs, the Group will, based on 5G intelligent operation platform, 5G messaging platform and other products, focusing on intelligent operation and maintenance and service-level agreement guarantee in 5G vertical industries, continue to make persistent efforts to deeply cultivate digital security capabilities in 5G+ pan-video, industrial Internet, IoT, telemedicine, autonomous driving, intelligent security, etc., empower the Company’s full range of product lines with intelligent digital platform, integrate into the new ecology of coexisting operator’s intelligent platforms, and increase product flexibility and AI capabilities to support various market demands. The business is expected to develop rapidly.

The Group will actively participate in the ecosystem construction with operators and industry partners, and closely follow China’s new infrastructure and “East Data Computing in West” (東數西算) strategies in the directions of promoting business digital transformation and enhancing digital security capabilities, and closely follow up the corresponding application performance management requirements and smart operation and maintenance (Artificial Intelligence for IT Operations) requirements of telecommunication operators’ self-intellectual network, and continue related product and business expansion.

**(A) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

*The following is the text of the independent reporting accountants' assurance report received from Yongtuo Fuson CPA 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.*



永拓富信會計師事務所有限公司  
YONGTUO FUSON CPA LIMITED

**To the directors of Vixtel Technologies Holdings Limited**

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Vixtel Technologies Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") 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 as at 31 December 2021 and related notes (the "Unaudited Pro Forma Financial Information") as set out on page 43 to 44 of the Prospectus dated 26 May 2022 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section (B) of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of up to 254,000,000 rights shares at HK\$0.55 per rights share (the "Rights Shares") on the basis of one Rights Share for every two existing share of the Company held on the rights issued record date (the "Rights Issue") on the Group's unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2021 as if the Rights Issues had taken place at 31 December 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the consolidated financial statements of the Company for the year ended 31 December 2021, on which an auditor's report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circular ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements 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.

Our firm applies Hong Kong Standard on Quality Control 1 (Clarified) Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and 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 29(7) of Chapter 4 of the Listing 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 have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 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 Rights Issue on unadjusted financial information of the Group as if the Rights Issue 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 Rights Issue at 31 December 2021 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 purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**Yongtuo Fuson CPA Limited**  
*Certified Public Accountants*

Fok Tat Choi  
Practicing Certificate Number: P06895  
Hong Kong

**(B) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared by the Directors (the “Unaudited Pro Forma Financial Information”) in accordance with paragraph 29 of Chapter 4 of the Listing Rules is set out to illustrate the effect of the Rights Issue on the Group’s unaudited consolidated net tangible assets attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2021.

The Unaudited Pro Forma Financial Information has been prepared based on the judgments, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group as at 31 December 2021 or any further dates following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated statement of financial position of the Group as at 31 December 2021, as extracted from published annual report of the Company for the year ended 31 December 2021, with adjustments described below.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2021 <i>RMB'000</i> <i>(note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>RMB'000</i> <i>(note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>RMB'000</i>	Consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 December 2021 <i>RMB</i> <i>(note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Rights Issue <i>RMB</i> <i>(note 4)</i>
Rights Issue of 254,000,000 Rights Shares to be issued at Subscription Price of HK\$0.55 per Rights Share	167,232	111,882	279,114	0.33	0.37

*Notes:*

1. The consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2021 of approximately RMB167,232,000 is arrived at after deducting other intangible assets of RMB14,626,000 from the consolidated net assets attributable to owners of the Company of RMB181,858,000, which is extracted from the annual report of the Company for the year ended 31 December 2021.
2. The estimated net proceeds from the Rights Issue of approximately HK\$137,000,000 (equivalent to RMB111,882,000) is calculated based on 254,000,000 Rights Shares to be issued (in the proportion of one (1) Rights Share for every two (2) existing shares held as at the Rights Issue record date) at the subscription price of HK\$0.55 per Rights Shares, after deduction of the estimated related expenses of approximately HK\$2,700,000 (equivalent to RMB2,205,000), assuming that the Rights Issue had been completed on 31 December 2021.
3. The consolidated net tangible assets attributable to owners of the Company per share as at 31 December 2021 is approximately RMB0.33, which is calculated based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2021 of approximately RMB167,232,000 divided by 508,000,000 shares in issue as at 31 December 2021.
4. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per share immediately after completion of the Rights Issue is approximately RMB0.37, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately RMB279,114,000 divided by 762,000,000 shares, which represents 508,000,000 shares of the Company in issue as at 31 December 2021 and 254,000,000 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of one (1) Rights Share for every two (2) existing shares held as at the Rights Issue record date), assuming that the Rights Issue had been completed on 31 December 2021.
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 2021.

**1. RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 AND SHARE OPTIONS****(i) Share capital**

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately after completion of the Rights Issue are set out as follows:

**(a) As at the Latest Practicable Date**

<i>Authorised:</i>		<i>HK\$</i>
<u>20,000,000,000</u>	Shares of HK\$0.01	<u>200,000,000</u>

*Issued and fully paid up:*

<u>508,000,000</u>	Shares of HK\$0.01	<u>5,080,000</u>
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**(b) Immediately after completion of the Rights Issue (assuming (i) no change in the share capital of the Company from the Latest Practicable Date up to and including the date of completion of the Rights Issue (save for the issue of Rights Shares) and (ii) all Qualifying Shareholders have taken up the Rights Shares to which they are entitled)**

<i>Authorised:</i>		<i>HK\$</i>
<u>20,000,000,000</u>	Shares of HK\$0.01	<u>200,000,000</u>

*Issued and fully paid up:*

508,000,000	Shares of HK\$0.01	5,080,000
<u>254,000,000</u>	Rights Shares to be allotted and issued	<u>2,540,000</u>
<u>762,000,000</u>	Total	<u>7,620,000</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form 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.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

**(ii) Share options**

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 21 November 2016. No share options have been granted or exercised under the Share Option Scheme since its adoption. As at Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

**3. DISCLOSURE OF INTERESTS**

**(i) Directors’ and chief executives’ interests and short positions in Share, underlying Shares and debentures**

As at the Latest Practicable Date, so far as known to any Director or chief executive of the Company, none of the Directors and chief executives of the Company has any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (“**SFO**”)), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 the Listing Rules.



(ii) **Substantial Shareholders' and other person's interests and short positions in the Shares and underlying Shares**

As at the Latest Practicable Date, so far as known to any Director or chief executive of the Company, the Shareholders (other than Directors and the chief executives of the Company) who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholder	Capacity/nature of interests	Number of Shares held	Long or short position	Approximate percentage of shareholding
Phoenix Wealth (Cayman) Asset Management Limited	Beneficial owner	379,810,000	Long position	74.8%
Mr. Du Li ( <i>Note 1</i> )	Interest in a controlled corporation	379,810,000	Long position	74.8%

*Note:*

1. Phoenix Wealth (Cayman) Asset Management Limited is wholly-owned by Mr. Du Li. Under the SFO, Mr. Du Li is deemed to be interested in the Shares held by Phoenix Wealth (Cayman) Asset Management Limited.

As at the Latest Practicable Date, so far as known to any Director or chief executive of the Company, no other persons were interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any of the subsidiaries and none of the Directors is also a director or employee of any substantial Shareholder of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any persons (other than the Directors and chief executives of the Company) who held an interest or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

**4. DIRECTORS' INTERESTS IN CONTRACTS**

As at the Latest Practicable Date:

- (i) none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation;
- (ii) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2021, being the date to which the latest published audited consolidated accounts 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; and
- (iii) none of the Directors and their respective associates was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

**5. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors was considered to have interests in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

**6. LITIGATION**

As at the Latest Practicable Date, the Company was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Company so far as the Directors are aware.

**7. MATERIAL CONTRACTS**

Save for the following, there were no material contracts (not being contract(s) entered into in the ordinary course of business) which had been entered into by any member of the Group within two years immediately preceding the date of the Prospectus and are or may be material:

- (i) the strategic cooperation framework agreement dated 27 July 2021 entered into between Vixtel Technologies Limited (飛思達技術(北京)有限公司), a wholly-owned subsidiary of the Group and Shandong Wenlv Cloud Intelligent Technology Co., Ltd.\* (山東文旅雲智能科技有限公司) in relation to building a joint laboratory for big data of cultural tourism;

- (ii) the non-legally binding memorandum of understanding dated 31 March 2022 entered into between the Company as purchaser and 丁振興 (Ding Zhenxing) and 深圳市新勢能天使創業投資企業(有限合夥) (Shenzhen New Potential Angel Venture Capital Enterprise (Limited Partnership) as vendors, in respect of the possible acquisition by the Group of certain equity interest in 廣東樂維軟件有限公司 (Guangdong Lewei Software Co., Ltd.); and
- (iii) the Underwriting Agreement.

## 8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Mr. Guan Haiqing** (“**Mr. Guan**”), aged 48, is the chairman of the Board and an executive Director of the Company and is primarily responsible for the overall management and corporate policy making of the Group’s business operations. Mr. Guan is also the Group’s chief sales officer and is responsible for overseeing the sales and marketing activities of the Group. Mr. Guan graduated from Shanghai Jiao Tong University (上海交通大學) with a bachelor’s degree in automation in July 1995. Mr. Guan has over 21 years of sales and marketing experience in high technology software solution enterprises. Prior to joining the Group, Mr. Guan has worked in the capacity of research and development engineer and a testing engineer in Shanghai Bell Alcatel Mobile Communication System Company Limited (上海貝爾阿爾卡特移動通信系統有限公司) from April 1996 to April 2000 and the sales manager of Agilent Technologies Group (安捷倫科技集團) from June 2000 to April 2010. Mr. Guan then worked in the sales department of JDSU Photoelectric Technology (Beijing) Co., Ltd (捷迪訊光電技術(北京)有限公司) from August 2010 to June 2013. Prior to joining the Group, Mr. Guan worked as a senior sales manager at JDSU Communication Technology (Shenzhen) Co., Ltd (Shanghai Branch) (捷迪訊通訊技術(深圳)有限公司(上海分公司)).

**Mr. Sie Tak Kwan** (“**Mr. Sie**”), aged 45, is an executive Director and the chief executive officer of the Company. He is primarily responsible for the overall planning, management and strategic development of and overseeing the operations of the Group’s business. Mr. Sie has over 20 years of experience in high-technology software solution industry. Mr. Sie graduated from the Hong Kong Polytechnic University with a bachelor’s degree in electronic engineering in November 2000. He further obtained a master’s degree of science in communication engineering from the University of Hong Kong in December 2003. Mr. Sie joined the Group as a supervisor in December 2010. Prior to joining the Group, Mr. Sie has worked as an application engineer and the Asia Business Development Manager of the Electronic Measurements Group at Agilent Technologies Hong Kong Limited (安捷倫科技香港有限公司) successively.

**Mr. Shi Zhimin** (“**Mr. Shi**”), aged 40, is an executive Director. He is primarily responsible for the overall management and strategic development of the Group. He obtained a bachelor’s degree in business administration from China University of Geosciences in 2004 and has extensive management experience in listed companies. During the period from July 2009 to October 2015, Mr. Shi was the general manager of Shenzhen Ruice Technology Company Limited\* (深圳市瑞測科技有限公司), which engages in (i) technology development, sales and on-site maintenance of test instruments, meters, electronic equipment and mechanical equipment parts, chemical products (excluding dangerous goods), optoelectronic materials, insulation materials, rubber and plastic materials, heat shrinkable materials; (ii) information consulting; and (iii) import and export business. During the period from 6 April 2016 to 6 November 2017, Mr. Shi was the chairman of Guangdong Boxin Investment Holding Company Limited\* (廣東博信投資控股股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (600083.SH) and engages in the business of intelligent hardware and its derivative products, leasing and sales of heavy machinery and equipment, and commodity trading. Mr. Shi has been the general manager and legal representative of Shenzhen Qianhai Xuanzhuo Investment Management Company Limited (深圳前海烜卓投資管理有限公司) since November 2015. He has also been the executive affairs representative of Shenzhen Qianhai Xuanzhuo Investment Development Centre (Limited Partnership)\* (深圳前海烜卓投資發展中心(有限合夥)) since November 2015. It is a company that engages in investment management, entrusted asset management (excluding trust, financial asset management, securities asset management and other restricted projects), equity investment, investment and running of corporate entities (subject to declaration of individual project), participating in setting up and providing management consultancy to venture capital enterprises, investment and corporate management consultancy services (excluding restricted business).

#### **Independent non-executive Directors**

**Mr. Yeung Man Simon** (“**Mr. Yeung**”), aged 50, is an independent non-executive Director. Mr. Yeung graduated from the University of Georgia with the degree of Bachelor of Business Administration, major in accounting and finance in March 1997. Mr. Yeung was admitted as an associate member of the Hong Kong Society of Accountants (currently known as Hong Kong Institute of Certified Public Accountants) in April 2002 and a member of the American Institute of Certified Public Accountants in July 2001. Mr. Yeung has more than 24 years of experience in corporate finance, financial management and initial public offering of companies on the Stock Exchange. During the period from 1997 to 2015, Mr. Yeung had acted as the company secretary, financial controller as well as chief financial officer in a number of companies whose shares are listed on the Stock Exchange involving different industries. In May 2015, Mr. Yeung worked as a vice president of a subsidiary of Crown International Corporation Limited (stock code: 727) (“**Crown International**”), responsible for business development, corporate finance, financial management and control, and was later appointed as the executive director and chief financial officer of Crown International in August 2015. He was later redesignated as its chief executive officer and executive director in October 2016 and further appointed as its company secretary in March 2017. Mr. Yeung resigned from Crown International in March 2019. From May 2019 to September 2019, Mr. Yeung was the head of China market development department of Creative Property Services Consultants Limited, a

company principally engaged in property management and a subsidiary of Creative Enterprise Holdings Limited, the shares of which were previously listed on the Main Board of the Stock Exchange. Since April 2021, Mr. Yeung has acted as the chief financial officer and the company secretary of Zhong An Intelligent Living Service Limited which is an integrated property management service provider in the PRC and the shares of which are proposed to be listed on the Main Board of the Stock Exchange.

**Mr. Hu Jianjun** (“**Mr. Hu**”), aged 42, is an independent non-executive Director. Mr. Hu obtained a bachelor’s degree in management from Huazhong University of Technology in July 2002, and a master’s degree in economics with a major in labour economics from Renmin University of China in July 2005. Mr. Hu has extensive experience in human resources management, asset management and investment fund management. Mr. Hu started to work in China Nuclear Power Engineering Co., Ltd. and its subsidiaries focusing on human resources matters in July 2005 and left the group in February 2022 with the last position as the Deputy General Manager of Shandong Bailu Chenxi Equity Investment Fund Management Co., Ltd.\* (山東白鷺晨翕股權投資基金管理有限公司).

**Ms. Ru Tingting** (“**Ms. Ru**”), aged 47, is an independent non-executive Director. Ms. Ru obtained a Bachelor of Laws from China University of Political Science and Law in July 1995 and a Master of Laws from Renmin University of China in June 2001. During the period from February 2002 to August 2018, Ms. Ru worked in the China Securities Regulatory Commission, first as the deputy director then as the director of the Department of Listed Company Division. Ms. Ru has been a managing partner of Beijing Yongxing Law Firm since September 2018. Since September 2019, Ms. Ru has acted as an independent non-executive director of Hong Kong Johnson Holdings Co., Ltd., the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1955).

#### **Senior management**

**Mr. Ming Yang** (“**Mr. Ming**”), aged 51, was appointed as the Operation Director of a wholly owned subsidiary of the Group, Vixtel Technologies Limited on 22 April 2019 and is primarily responsible for the operation management of it. Mr. Ming graduated from XiDian University (西安電子科技大學) in 1994 with a bachelor’s degree of image transmission and processing and obtained a master’s degree of Business Administration from Capital University of Economics and Business (首都經貿大學) in 2010. Mr. Ming has more than 10 years of experience in Motorola (China) Electronics Co., Ltd of service product development and BD business fields, and more than 9 years of experience in Huawei Technology Co., Ltd., with various positions of Project Delivery and Management, Service Solution Development and Quality Operation. Prior to joining the Group in 2019, he served as a Quality Operation Department Director in Huawei Technology Co., Ltd (華為技術有限公司) Angola Representative Office.

**Mr. Liu Zewei** (“**Mr. Liu**”), aged 39, was appointed as the head of the product marketing department of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 20 May 2019. He is primarily responsible for product planning and new product research. Mr. Liu joined our Group on 27 December 2007 as the director of the research and development department of our Group. Mr. Liu obtained a bachelor’s degree in computer science and technology from the Shanxi University (山西大學) in July 2004. He has over 14 years of experience in the research and development of software systems. Prior to joining the Group, Mr. Liu worked as an engineer with Shenzhen Smartcom Business Co., Ltd (慧通商務(深圳)有限公司) from December 2005 to September 2007.

**Mr. Yuan Feixiong** (“**Mr. Yuan**”), aged 37, was appointed as the research director of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 16 December 2016 and is primarily responsible for leading the research and development department. Mr. Yuan graduated from the College of Computer and Communication of Hunan University (湖南大學計算機與通信學院) (now known as the College of Computer Science and Electronic Engineering, Hunan University (湖南大學資訊科學與工程學院)) in 2006 with a bachelor’s degree in Communication Engineering. Mr. Yuan has more than 14 years of experience in research and development of communications software. Prior to joining the Group in 2016, he served as a senior research and development engineer in LeCloud Computing Co., Ltd (樂視雲計算有限公司).

**Ms. Li Li** (“**Ms. Li**”), aged 45, was appointed as the senior financial manager of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 26 April 2021 and is responsible for the management of accounting and financial operations of the subsidiaries of the Group. Ms. Li is a China Certified Public Accountant and Intermediate Accountant. Ms. Li graduated from the Department of Investment Economics of Zhongnan University of Economics and Law in 1998 and obtained a bachelor’s degree in economics. Ms. Li has over 23 years of experience in the field of audit and financial management. Ms. Li has worked at Beijing Yong Tuo Certified Public Accountants LLP. She also worked as the financial manager of Beijing Lanxum Technology Co., Ltd. Prior to joining the Group, she worked as the financial manager of Jusfoun Big Data Information Group Co., Ltd.

**Mr. Ma Xuejia** (“**Mr. Ma**”), aged 39, was appointed as the technical services director of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 1 July 2017 and is mainly responsible for the management and coordination of technical departments of the Group. Mr. Ma was previously responsible for the pre-sale management and technical support of the Group’s products. Prior to joining the Group in 2009, he worked in Guangdong Eshore Technology Co., Ltd., a wholly owned subsidiary of China Telecom, as a System Integration Engineer.

**Mr. Tang Bin** (“**Mr. Tang**”), aged 55, was appointed as sales manager and the vice president of products sales in Southwestern China Region of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 16 February 2010, and is primarily responsible for sales in Sichuan, Chongqing, Yunnan, Guizhou and Tibet of the Group. In July 1989, Mr. Tang graduated from Guizhou Aerospace Vocational and Technical College and received a college diploma. Prior to joining the Group in 2010, he worked in the supply and marketing department of China Nuclear Industry Guizhou Chemical Metallurgical Company, where he worked as the deputy director of supply and marketing department of the company.



**Mr. Long Jianjun** (“**Mr. Long**”), aged 50, was appointed as the vice president of sales team in South China of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 16 December 2016 and is primarily responsible for the sales of products and services in South China. Mr. Long graduated from the Department of electronics and electrical technology of Xiangtan University (湘潭大學) in 1995. Mr. Long has 20 years experience in sales management in telecom industry. Prior to joining the Group in 2013, he served as the sales director of Changsha Yestuned Monitoring Technology Co., Ltd. (長沙市業通達監控技術有限公司) and was responsible for sales and management of telecom industry in China.

**Mr. Xu Shijia** (“**Mr. Xu**”), aged 40, was appointed as the vice president of sales team in East China of a wholly owned subsidiary of the Group, Vixel Technologies Limited on 16 December 2016 and is primarily responsible for the sales of products and services in East China of the Group. Mr. Xu graduated from East China Institute of Technology (東華理工學院) in 2005 with a bachelor’s degree in Communication Engineering. Mr. Xu has more than 11 years of experience in sales of network communication solutions. Prior to joining the Group in 2010, he served as an instrumentation sales in shanghai An Qi Technology CO., LTD.

## 9. EXPERT’S CONSENT AND QUALIFICATION

The following sets out the qualification of the expert who has given opinions, letters or advices included in this Prospectus:

Name	Qualification
Yongtuo Fuson CPA Limited	Certified Public Accountants

Yongtuo Fuson CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and reference to its name in the form and context in which it respectively appears. As at the Latest Practicable Date, Yongtuo Fuson CPA Limited did not have any shareholding, directly or indirectly, in any member of the Group nor did Yongtuo Fuson CPA Limited have 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, Yongtuo Fuson CPA Limited did not have any direct or indirect interest in any assets which had been, since 31 December 2021 (the date to 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, disposed of by or leased to any member of the Group.

The accountant’s report of Yongtuo Fuson CPA Limited on the unaudited pro forma financial information of the Group is given as at the date of this Prospectus for incorporation herein.

**10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE**

Registered office of the Company:	Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters of the Company in the PRC:	4/F, Block 2 Founder Building 9 Shangdi Fifth Street Haidian District Beijing China
Principle place of business of the Company in Hong Kong:	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Underwriter:	Realord Asia Pacific Securities Limited Suites 2402, 24/F Jardine House 1 Connaught Place Central, Hong Kong
Legal adviser to the Company in relation to the Rights Issue as to the laws of Hong Kong:	Li & Partners 22/F., World Wide House 19 Des Voeux Road Central Hong Kong
Legal adviser to the Company in relation to the Rights Issue as to the PRC law:	Jincheng Tongda & Neal Law Firm (Guangzhou Office) 42/F, Central Tower No.5 Xiancun Road Zhujiang New Town Guangzhou PRC
Legal adviser to the Company in relation to the Rights Issue as to the Cayman Islands law:	Appleby Suites 4201-03 & 12, 42/F One Island East, Taikoo Place 18 Westlands Road, Quarry Bay Hong Kong



Principal share registrar and transfer office:	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch share registrar and transfer office:	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Financial adviser to Company:	Rainbow Capital (HK) Limited Room 5B, 12/F, Tung Ning Building No. 2 Hillier Street Sheung Wan, Hong Kong
Auditors:	Ernst & Young <i>(Certified Public Accountants and Registered Public Interest Entity Auditor)</i> 22/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Reporting accountants:	Yongtuo Fuson CPA Limited <i>(Certified Public Accountants)</i> Unit 1020 on 10th Floor Tower B, Mandarin Plaza No. 14 Science Museum Road Tsim Sha Tsui East, Kowloon Hong Kong
Principal banker:	Industrial and Commercial Bank of China Beijing Zhongguancun Subbranch 2 Information Road Haidian District Beijing China

Company secretary:

Mr. Cheung Kai Cheong Willie  
(FCPA, FCCA)  
40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

Authorised representatives:

Mr. Sie Tak Kwan  
Flat 108, 1/F, Block 34  
Heng Fa Chuen  
Chai Wan  
Hong Kong

Mr. Cheung Kai Cheong Willie  
(FCPA, FCCA)  
40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

## **11. EXPENSES**

Expenses in relation to the Rights Issue (including the underwriting commission, financial advisory fee, printing, translation, registration, legal, accounting, levy, and documentation charges) are estimated to be approximately HK\$2.7 million, which are payable by the Company.

## **12. BINDING EFFECT**

This Prospectus, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

## **13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. EXPERT'S CONSENT AND QUALIFICATION" 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 (Chapter 32 of the Laws of Hong Kong).

**14. DOCUMENTS ON DISPLAY**

Copies of the following documents will be made available on (i) the website of the Company (<http://www.vixtel.com>); and (ii) the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) during a period of 14 days from the date of this Prospectus (both days inclusive):

- (i) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (ii) the written consent referred to in the paragraph headed “9. EXPERT’S CONSENT AND QUALIFICATION” in this appendix;
- (iii) the material contracts of the Company referred to in the paragraph headed “7. MATERIAL CONTRACTS” in this appendix; and
- (iv) the Prospectus Documents.

**15. LANGUAGE**

In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

**16. MISCELLANEOUS**

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (iii) The business address of all Directors and authorised representatives of the Company is 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong.

\* *For identification purpose only*