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If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your securities in InvesTech Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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InvesTech Holdings Limited 威訊控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 1087)

(I) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 25% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND (II) NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders



A notice convening the special general meeting of the Company (the “SGM”) to be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong (or any adjournment thereof) on Friday, 19 November 2021 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

Please see pages i and ii of this circular for the precautionary measures to be implemented at the SGM to ensure the safety of the SGM attendees and to prevent the spreading of the coronavirus disease 2019 (“COVID-19”) pandemic, which include without limitation:

1. mandatory wearing of surgical face masks (no mask will be provided at the SGM venue);
2. compulsory body temperature screening;
3. mandatory health declaration;
4. maintaining appropriate distancing and spacing between seats and in doing so, the Company may limit the number of the SGM attendees as may be necessary to avoid over-crowding; and
5. no distribution of corporate gifts and/or refreshments at the SGM.

Any attendee who (a) refuses to comply with the precautionary measures; (b) is subject to any prescribed quarantine by the Government or has close contact with any person under quarantine; or (c) has a fever or any flu-like symptoms or is otherwise unwell will be denied entry into or be required to leave the SGM venue at the absolute discretion of the Company to such extent permitted under law.

Shareholders are encouraged to appoint the chairman of the SGM as their proxy and to return their proxy forms by the time specified above, instead of attending the SGM in person.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

To safeguard the health and safety of the Shareholders who will be attending the SGM in person, the Company will implement any or all of the following precautionary measures at the SGM:

LIMITING ATTENDANCE IN PERSON AT THE SGM VENUE

The government of Hong Kong has recently announced the relaxation of certain restrictions on group gatherings which took effect on 24 June 2021. In particular, the specified business meeting exemption (which applies to shareholders' meetings) under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G of the Laws of Hong Kong) (the "**Regulation**") has been further relaxed to permit group gatherings with maximum number of participants be 100% of the normal capacity of the premises (irrespective of indoor or outdoor), provided that (among other conditions) two-thirds of all participants must have received the first dose of COVID-19 vaccine.

Pursuant to the Regulation, if not two-thirds of all participants in the specified business meeting have received the first dose of COVID-19 vaccine, the pre-existing capacity limit for such meeting will continue to apply, which, group gatherings with maximum number of participants be more than 50% of the normal capacity of the premises for a shareholders' meeting are required to be accommodated in separate partitioned rooms or areas with maximum number of participants be not more than 50% of the normal capacity of the premises each (the "**Requirement**").

The Company will limit attendance in person at the SGM venue in compliance with the Requirement prevailing at the time of the SGM. Given the limited capacity of the SGM venue and the requirements for social distancing to ensure the attendees' safety, only Shareholders and/or their representatives and the relevant SGM staff will be admitted to the SGM. Admission to the SGM venue will not be granted in excess of the capacity of the SGM venue.

HEALTH AND SAFETY MEASURES AT THE SGM

The following measures will also be implemented at the SGM:

1. Every attendee of the SGM will be required to wear a surgical face mask throughout the SGM within the SGM venue, please note that no face masks will be provided at the SGM venue and attendees should bring and wear their own face masks;
2. Mandatory body temperature screening will be conducted on every attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the SGM venue;
3. All attendees of the SGM are required to complete a health declaration form and submit the same at the entrance of the SGM venue before admission into the SGM venue;

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

4. Seating at the SGM venue will be arranged so as to allow for appropriate social distancing and spacing between seats and comply with the relevant Requirement;
5. No corporate gifts and/or refreshments will be distributed at the SGM;
6. Hand sanitizer will be available at the entrance of the SGM venue; and
7. Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

Any attendee who (a) refuses to comply with the precautionary measures; (b) is subject to any prescribed quarantine by the Hong Kong government or has close contact with any person under quarantine; or (c) has a fever or any flu-like symptoms or is otherwise unwell will be denied entry into or be required to leave the SGM venue at the absolute discretion of the Company to such extent permitted under law, to ensure the safety of the attendees at the SGM.

Shareholders are requested (a) to consider carefully the risk of attending the SGM, which will be held in an enclosed environment, (b) to follow any prevailing requirements or guidelines of the Hong Kong government relating to COVID-19 in deciding whether or not to attend the SGM; and (c) not to attend the SGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

The Company will closely monitor the development of the COVID-19 pandemic and ensure that the SGM will be conducted in compliance with the laws, regulations and measures introduced by the Hong Kong government from time to time. The Company may implement further changes and precautionary measures where necessary, and may issue further announcement on such measures as and when appropriate.

Shareholders are strongly encouraged to appoint the chairman of the SGM as their proxy to vote on the resolution, instead of attending the SGM in person.

If Shareholders have any questions relating to the SGM, please contact the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone hotline: +852 2862 8555 (during business hours from 9:00 a.m. to 6:00 p.m.
Hong Kong time, Mondays to Fridays; excluding public holidays)
Website: www.computershare.com/hk/contact

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Announcement”	the announcement of the Company dated 23 September 2021 in relation to the Acquisition
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the Vendor and/or any person who is for the time being the registered holder of the Convertible Bond(s)
“Business Day(s)”	a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“BVI”	the British Virgin Islands
“CB Instrument”	the instrument of the Convertible Bonds to be executed by the Company as a deed
“Company”	InvesTech Holdings Limited, an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1087)
“Completion”	the completion of the Acquisition
“Completion Date”	the date of Completion, which shall be any Business Day falling within the period of five Business Days after all the conditions precedent as set out in the Sale and Purchase Agreement have been fulfilled or satisfied (unless otherwise waived under and pursuant to the Sale and Purchase Agreement), or such later date as the Parties may otherwise agree in writing

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration of the Sale Shares in sum of HK\$30,000,000 to be settled by the Company with the Vendor
“Conversion Price”	HK\$1.50 per Conversion Share, subject to adjustment pursuant to the CB Instrument
“Conversion Rights”	the rights pursuant to the CB Instrument attaching to each Convertible Bond to convert the principal amount or a part thereof into Shares
“Conversion Share(s)”	in the case of the Conversion Rights having been exercised in full, a maximum of 20,000,000 new Shares to be allotted and issued by the Company pursuant to the terms and conditions contained in the CB Instrument, which, upon conversion of the Convertible Bonds in their entirety, shall represent approximately 19.19% of the enlarged portfolio of issued shares in the Company
“Convertible Bond(s)”	the convertible bond(s) in the principal amount of HK\$30,000,000 to be issued by the Company to the Vendor for settlement and discharge of the Consideration in accordance with the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“First Issue Date”	the initial date of issue of the Convertible Bonds under and pursuant to the CB Instrument
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company established by the Board, comprising all the independent non-executive Directors of the Company, namely Mr. David Tsoi, Mr. Lu, Brian Yong Chen and Mr. Yuen Shiu Wai, to advise the Independent Shareholders with respect to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate)

DEFINITIONS

“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate)
“Independent Shareholders”	the Shareholders and/or their respective associates who are not required under the Listing Rules to abstain from voting at the SGM, other than those persons who have material interest in the Acquisition (if any)
“Latest Practicable Date”	28 October 2021, being the latest practicable date prior to printing of the circular for ascertaining certain information this circular
“Listing Rules”	the Rules Governing the Listing of Securities on main board of the Stock Exchange
“Long Stop Date”	29 November 2021 or such later date as the Parties may agree in writing
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Chan”	Mr. Chan Sek Keung, Ringo, being the chairman of the Board, an executive Director and the chief executive officer of the Company, and holds 70% equity interest in the Vendor
“Mr. Wang”	Mr. Wang Wei, being a general manager and director of various subsidiaries of the Target Company, and holds 10% equity interest in the Vendor
“Ms. Wang”	Ms. Wang Fang, being an executive Director and a vice chief executive officer of the Company, and holds 20% equity interest in the Vendor
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan

DEFINITIONS

“Redemption Date”	in respect of each Convertible Bond, the date (if any) on which it shall become due and payable for redemption by the Company pursuant to the CB Instrument
“Sale Share(s)”	the entire portfolio of the 25 Target Company Shares, representing 25% equity interest in the Target Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 September 2021 entered into between the Company and the Vendor in respect of the Acquisition
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting to be convened by the Company to approve, among other matters, the Acquisition and the issuance of the Convertible Bonds and the grant of the Specific Mandate
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holders of the Shares for the time being
“Specific Mandate”	the specific mandate to be granted to the Directors to allot, issue and deal with not more than 20,000,000 Conversion Shares in aggregate at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs published by the SFC
“Target Company”	Fortune Grace Management Limited, a company incorporated in BVI with limited liability, and a non-wholly owned subsidiary of the Company
“Target Company Share(s)”	the issued ordinary share(s) in the Target Company
“Target Group”	the Target Company and its subsidiaries

DEFINITIONS

“Vendor”	Smoothly Global Holdings Limited, a company incorporated in BVI, which is owned as to 70% by Mr. Chan, as to 20% by Ms. Wang and as to remaining 10% by Mr. Wang
“RMB”	Renminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For the purpose of this circular, the translation of RMB into HK\$ is based on the rate of RMB1:HK\$1.2048. This conversion rate is for illustrative purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforesaid or any other rates or at all.

LETTER FROM THE BOARD



InvesTech Holdings Limited **威訊控股有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 1087)

Executive Directors:

Mr. Chan Sek Keung, Ringo (*Chairman and
Chief Executive Officer*)
Ms. Wang Fang (*Vice Chief Executive Officer*)
Mr. Lu Chengye
Mr. Liu Chun Fai

Registered Office:

Canon's Court
22 Victoria Street
Hamilton
HM 12
Bermuda

Non-executive Director:

Mr. Wong Tsu Wai, Derek

*Principal Place of Business
in Hong Kong:*

Room 1201, 12/F
C C Wu Building
302-308 Hennessy Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. David Tsoi
Mr. Lu, Brian Yong Chen
Mr. Yuen Shiu Wai

2 November 2021

To the Shareholders

Dear Sir or Madam,

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF 25% EQUITY INTEREST IN
THE TARGET COMPANY INVOLVING
ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
AND
(II) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the Acquisition involving issue of the Convertible Bonds under Specific Mandate. On 23 September 2021 (after trading hours), the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor was desirous of selling and transferring to the Company, and the Company was desirous of acquiring from the Vendor, the Sale Shares, representing 25% equity interest in the Target Company, at the Consideration of HK\$30,000,000. The Consideration shall be settled by the issue of the Convertible Bonds in the principal amount of HK\$30,000,000.

LETTER FROM THE BOARD

References are also made to the announcements of the Company dated 6 November 2015 and 13 November 2015 in relation to, among other things, the acquisition of 75% equity interest in the Target Company. On 6 November 2015 (after trading hours), the Company entered into the sale and purchase agreement with the Vendor and Mr. Chan (being the guarantor of the Vendor) to purchase 75% equity interest of the issued share capital of the Target Company from the Vendor for a total consideration of HK\$450 million. The completion of such acquisition was taken place on 13 November 2015.

As at the Latest Practicable Date, the Company holds 75% equity interest in the Target Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company.

The purpose of this circular is to provide you with, among other things, (i) further information of the Acquisition; (ii) a letter of the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate); (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate); (iv) notice of the SGM; and (v) other information as required under the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out as follows:

Date: 23 September 2021 (after trading hours)

Parties: (i) the Company, as the purchaser; and
(ii) Smoothly Global Holdings Limited, as the Vendor, being a substantial shareholder of the Company, and is therefore a connected person of the Company.

(each a “**Party**” and collectively, the “**Parties**”)

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Acquisition shall involve the Vendor selling and transferring to the Company, and the Company acquiring from the Vendor, the Sale Shares free from any encumbrance whatsoever. The Sale Shares represent 25% equity interest in the Target Company. As at the Latest Practicable Date, the Vendor is the sole legal and beneficial owner of the Sale Shares.

LETTER FROM THE BOARD

Consideration

The Consideration of HK\$30,000,000 shall be fully settled and discharged at Completion by the Company's issuance of Convertible Bonds in the principal amount of HK\$30,000,000 with 3-year maturity at the coupon rate of 1.5% per annum convertible into a maximum of 20,000,000 Convertible Shares at the Conversion Price of HK\$1.50 per each Conversion Share.

The Consideration was arrived at after arm's length negotiations between the Parties with reference to, among other things, (i) the unaudited consolidated net asset value of the Target Group (without goodwill) of approximately RMB187.1 million as at 30 June 2021; (ii) the unaudited consolidated net asset value of the Target Group (with goodwill of approximately RMB135.0 million) of approximately RMB322.1 million as at 30 June 2021; (iii) the business development and future prospect of the Target Group; and (iv) the reasons for and benefits of the Acquisition as mentioned in the section headed "Reasons for and benefits of the Acquisition" below.

Given the Consideration represents (i) a discount of approximately 46.79% to the consolidated net asset value of the Target Group (without goodwill) attributable to 25% equity interest in the Target Group, being approximately RMB46.8 million (equivalent to approximately HK\$56.4 million); (ii) a discount of approximately 69.07% to the consolidated net asset value of the Target Group (with goodwill) attributable to 25% equity interest in the Target Group, being approximately RMB80.5 million (equivalent to approximately HK\$97.0 million); and taking into account of the abovementioned, the Directors (including the Independent Board Committee after considering the advice from the Independent Financial Adviser but excluding Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Consideration is fair and reasonable and on normal commercial terms and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

As Mr. Chan and Ms. Wang, being the executive Directors and the shareholders of the Vendor, are considered to have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, they have abstained from voting on the resolutions passed by the Board to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Conditions precedent

Completion shall be subject to the following conditions precedent having been satisfied or fulfilled:

- (a) the Independent Shareholders having passed all requisite resolutions at the SGM to approve the Acquisition and the issuance of the Convertible Bonds;

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to Completion;
- (c) the Vendor being, and remaining as, the sole legal and beneficial owner of the Sale Shares free from any encumbrance and third party rights of any kind;
- (d) the Company having completed due diligence examinations to ascertain that the Sale Shares are free from any encumbrance whatsoever (the “**DD Examinations**”), with the results and outcome of the DD Examinations being satisfactory to the Company;
- (e) the Target Group not being insolvent and not having been presented with any winding-up petition or application for receivership; and
- (f) all the representations, warranties and undertakings of or by the Vendor and the Company as set out in the Sale and Purchase Agreement remaining true and accurate in all respects at all times up to Completion.

Save and except such conditions precedent (c) to (e) above which may be waived in whole or in part by the Company unilaterally (but not by the Vendor under whatever circumstance) at any time no later than the Long Stop Date by notice in writing to the Vendor, none of the other abovementioned conditions precedent can be waived, and the Parties shall use their respective best endeavours to ensure that the abovementioned conditions precedent (save and except such conditions precedent which has/have been waived by the Company pursuant to the foregoing provisions of this paragraph) shall be fulfilled and/or satisfied as soon as possible after the execution of the Sale and Purchase Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any abovementioned conditions precedent (save and except such conditions precedent which have been waived by the Company in accordance with the above paragraph) shall not have been fulfilled or satisfied by the Long Stop Date, the Sale and Purchase Agreement shall, unless the Parties agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain terms as set out in the Sale and Purchase Agreement which shall remain valid, binding and effective, and no Party shall have any claim of any nature or liabilities under the Sale and Purchase Agreement whatsoever against the other Party save for any antecedent breach of the terms of the Sale and Purchase Agreement.

While the Company has the liberty to waive condition precedent (c) above, it shall refuse to waive the same if it is discovered that the Vendor is not the sole legal and beneficial owner of the Sale Shares or any part thereof.

LETTER FROM THE BOARD

Further, the Vendor has, in the Sale and Purchase Agreement, given, amongst other representations and warranties, the warranty to and on favour of the Company that the Vendor is the sole legal and beneficial owner of the Sale Shares, and that the Sale Shares will be sold and transferred by the Vendor to the Company free from any encumbrance whatsoever in accordance with the Sale and Purchase Agreement. It is explicitly set out, *inter alia*, in condition precedent (f) above that none of the warranties, including the warranty given by the Vendor to the Company as recounted above, can be waived by either the Vendor or the Company.

Hence, the rights and interest of the Company is effectively and adequately protected. The Company shall refuse to complete the transactions contemplated under the Sale and Purchase Agreement if it is discovered by the Long Stop Date that the Vendor is not the sole legal and beneficial owner of the Sale Shares (or any portfolio thereof) or that the Sale Shares (or any portfolio thereof) are not sold and transferred by the Vendor to the Company free from any encumbrance.

As at the Latest Practicable Date, none of the above conditions precedent has been satisfied or fulfilled.

Completion

Subject to the conditions precedent as set out in the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

As at the Latest Practicable Date and prior to the Completion, the Company holds 75% equity interest in the Target Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company, and the financial information of the Target Group will continue to be consolidated into the consolidated financial statements of the Group.

THE CONVERTIBLE BONDS

Principal terms of the Convertible Bonds are arrived at after arm's length negotiations between the Parties and are summarised as follows:

Issuer:	The Company
Principal amount:	HK\$30,000,000
Maturity date:	The date which falls on the third anniversary of the First Issue Date (the " Maturity Date ")
Interest rate:	The Convertible Bonds bear interest on the outstanding principal amount from and including the First Issue Date at the rate of 1.5% per annum (the " Interest ") payable on a semi-annual basis in arrears from the First Issue Date.

LETTER FROM THE BOARD

Conversion Price: The initial Conversion Price is HK\$1.50 per Conversion Share, subject to adjustments set out in the section headed “Adjustments to the Conversion Price” below.

The initial Conversion Price of HK\$1.50 per Conversion Share represents:

- (i) a discount of 25% to the closing price of HK\$2.000 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 6.38% over the closing price of HK\$1.410 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
- (iii) a premium of approximately 4.31% over the average closing price of approximately HK\$1.438 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement;
- (iv) a premium of approximately 3.38% over the average closing price of approximately HK\$1.451 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (v) a discount of approximately 75.06% to the audited consolidated net asset value per Share of approximately RMB4.992 (equivalent to approximately HK\$6.015) per Share as at 31 December 2020, based on a total of 84,240,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of approximately RMB420,544,000 as at 31 December 2020.

The Conversion Price was determined after arm’s length negotiations between the Parties with reference to the prevailing market price of the Shares.

LETTER FROM THE BOARD

In determining the Conversion Price, the Directors consider the market price of the Shares traded on the Stock Exchange in the past three months immediately prior to and including the date of the Sale and Purchase Agreement (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$1.52 per Share.

The Directors consider that the Relevant Period is appropriate in providing a general reference for the prevailing market price of the Shares taking into consideration of actions taken by the Company, during which, including but not limited to (i) capital reorganisation has become effective on 28 July 2021; (ii) interim results of the Company for the six months ended 30 June 2021 has been announced on 31 August 2021; and (iii) placing of new shares under general mandate has been completed on 6 September 2021. In light of this, the Directors consider that the Relevant Period is an appropriate benchmark to reflect the recent share performance of the Company.

The Directors (including the Independent Board Committee after considering the advice from the Independent Financial Adviser but excluding Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) note that the Conversion Price represents a discount of approximately 75.06% to the audited consolidated net asset value per Share as at 31 December 2020. The Board further notes that during the Relevant Period, the Shares had been consistently traded at a discount to the audited net asset value per Share as at 31 December 2020, ranging from approximately 71.74% to 78.22%. Further, the Conversion Price represents premium to the prevailing market prices of the Shares as shown above. Accordingly, the Board considers that it would be more appropriate to determine the Conversion Price with reference to the prevailing market prices of the Shares, which reflect the fair market value of the Shares traded on the Stock Exchange, instead of making reference to the net asset value per Share.

LETTER FROM THE BOARD

Having taken into account, among others, (i) the Conversion Price represents a premium to the market prices of the Shares over the date of the Sale and Purchase Agreement, as well as last five and ten consecutive trading days immediate prior to the date of the Sale and Purchase Agreement; (ii) the Conversion Price was close to the average closing price of the Shares during the Relevant Period; and (iii) the factors set out in the section headed “Reasons for and Benefits of the Acquisition” in this circular, the Directors (including the Independent Board Committee after considering the advice from the Independent Financial Adviser but excluding Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Adjustments to the
Conversion Price:**

The Conversion Price shall from time to time be subject to adjustment in accordance with this section if, whilst any of the Convertible Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

- (i) if and whenever there shall be an alteration to the value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where

A is the value of one Share immediately after such alteration; and

B is the value of one Share immediately before such alteration.

Such adjustment shall become effective from the day on which such consolidation or subdivision becomes effective.

LETTER FROM THE BOARD

- (ii) if and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account and/or capital redemption reserve), other than Shares issued *in lieu* of the whole or a part of a cash dividend and other than an issue that would amount to capital distribution (as defined in the CB Instrument), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where

A is the aggregate amount of the issued Shares immediately before such issue; and

B is the aggregate amount of the issued Shares immediately after such issue.

Such adjustment shall become effective from the day of such issue of Shares.

- (iii) if and whenever the Company shall pay or make any capital distribution (as defined in the CB Instrument) to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such capital distribution (as defined in the CB Instrument) by the following fraction:

$$\frac{A - B}{A}$$

where

A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which the capital distribution (as defined in the CB Instrument) is made; and

LETTER FROM THE BOARD

B is the fair market value on the date of such capital distribution (as defined in the CB Instrument), as determined in good faith by the independent accountant or financial advisor acting as an expert, of the portion of the capital distribution (as defined in the CB Instrument) which is attributable to one Share.

Such adjustment shall become effective on the date that such capital distribution (as defined in the CB Instrument) is actually made.

- (iv) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant to Shareholders is made, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where

- A is the number of Shares in issue immediately before such grant or issue;
- B is the number of Shares which the aggregate amount (if any) payable for the rights, or for the options or warrants or other rights issued by way of rights, and for the total number of Shares comprised therein would purchase at such fair market value per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

LETTER FROM THE BOARD

Such adjustment shall become effective on the date of the issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (v) if and whenever the Company shall:
- (a) issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights; or
 - (b) grant to all or substantially all Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue, grant or offer by the following fraction:

$$\frac{A - B}{A}$$

where

A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant is made; and

B is the fair market value on the date of such grant is made as determined in good faith by the independent accountant or financial advisor acting as an expert, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of the issue of the securities or grant of such rights, options or warrants (as the case may be).

LETTER FROM THE BOARD

- (vi) if and whenever the Company shall wholly for cash:
- (a) issue (otherwise than as mentioned in sub-paragraph (iv) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares); or
 - (b) issues or grants (otherwise than as mentioned in sub-paragraph (iv) above) options, warrants or other rights to subscribe for or purchase Shares,

in each case at a price per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{C}$$

where

- A is the number of Shares in issue immediately before the issue of such additional Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such fair market value per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

LETTER FROM THE BOARD

Such adjustment shall become effective on the date of the issue of such Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(vii) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (vii), if and whenever the Company or any subsidiary of the Company (otherwise than as mentioned in sub-paragraphs (iv), (v) or (vi) above), or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity, shall issue wholly for cash any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription, at a consideration per Share which is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of the issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange of or upon exercise of the right of subscription attached to such securities would purchase at such fair market value per Share; and

LETTER FROM THE BOARD

C is the maximum number of Shares to be issued upon conversion into or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of the issue of such securities.

(viii) if and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Share receivable by the Company is less than 95% of the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange, or upon exercise of the right of subscription attached to the securities so modified, would purchase at such fair market value per Share or, if lower, the existing conversion, exchange or subscription price; and

C is the maximum number of Shares to be issued upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate,

LETTER FROM THE BOARD

but giving credit in such manner as the independent accountant or financial advisor (whom the Company undertakes to engage for the purpose of this paragraph) shall, acting as an expert, consider appropriate (if at all) for any adjustment under this sub-paragraph.

Such adjustment shall become effective on the date of such modification of the rights of conversion, exchange or subscription attaching to such securities.

- (ix) if and whenever the Company or any subsidiary of the Company or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary of the Company) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which Shareholders generally (meaning for these purposes the holders of at least 60% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under sub-paragraphs (iv) to (vii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:-

$$\frac{A - B}{A}$$

where

- A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date of such issue; and
- B is the fair market value on the date of such issue, as determined in good faith by the independent accountant or financial advisor, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

LETTER FROM THE BOARD

- Conversion Shares:** Assuming the Conversion Rights are exercised in full at the initial Conversion Price, the maximum of 20,000,000 Conversion Shares represent (i) approximately 23.74% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 19.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there will be no change in the total number of issued Shares from the Latest Practicable Date up to the full conversion of the Convertible Bonds).
- Conversion Period:** The period commencing from the First Issue Date and ending on the date which falls on the fifth Business Day before the Maturity Date, both days inclusive, provided that if the Company fails to redeem the Convertible Bonds on the Redemption Date in accordance with the terms of the CB Instrument the period shall continue until redemption in full occurs (the “**Conversion Period**”).
- Conversion Rights:** Subject to the CB Instrument, each Bondholder shall have the right, exercisable during the Conversion Period in the manner provided in the CB Instrument, to convert the whole or any part (subject to the CB Instrument, in multiples of HK\$300,000) of the outstanding principal amount of the Convertible Bonds held by such Bondholder into such number of Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the date of conversion.
- Conversion Restrictions:** A Bondholder shall not exercise any Conversion Rights if, as a result of such exercise, it will cause the public float of the Company to be unable to meet the relevant requirements under the Listing Rules.
- A Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company’s other Shareholders.

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Redemption at maturity:

All Convertible Bonds which have not been redeemed or converted in accordance with the terms and conditions contained in the CB Instrument by the Maturity Date shall be redeemed by the Company on the Maturity Date by either paying such redemption amount as equivalent to the principal amount of the Convertible Bonds outstanding by that juncture or by issuing such portfolio of the Conversion Shares proportionate to the principal amount of the Convertible Bonds outstanding by that juncture, to be determined by the Company at its sole and absolute discretion, free from any interference whatsoever of any Bondholder or by any third party.

Redemption prior to maturity:

Without prejudice to any other terms and conditions contained in the CB Instrument, the Company may at its sole and absolute discretion redeem the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) at any time prior to the Maturity Date by paying such redemption amount as shall be equivalent to the principal amount outstanding (or the principal amount to be redeemed, whichever shall be appropriate) together with all Interest accrued thereon and remains outstanding as at the Redemption Date with the entire redemption amount to be paid to the Bondholders in cash. For avoidance of any doubt, no Bondholder can request for any early redemption of the Convertible Bonds or any principal amount thereof.

Redemption on default:

If any of the events (“**Events of Default**”) specified in the CB Instrument occur, the Company shall forthwith give notice thereof to the Bondholders and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholders), at its option, opt to convert their Convertible Bonds in its entirety or, alternatively, give a notice for redemption to the Company in respect of part or all of the Convertible Bonds held by it, whereupon such Convertible Bonds shall become immediately due and payable at a redemption amount equal to 100% of the principal amount of such Convertible Bonds. For any avoidance of doubt, there shall not be any redemption of the Convertible Bonds by any Bondholders prior to the Maturity Date unless an Event of Default occurs.

Transferability:

Any transfer of the Convertible Bonds shall be in respect of the whole or any part (subject to the CB Instrument, in multiples of HK\$300,000) of the outstanding principal amount of the Convertible Bonds.

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Subject to compliance with the Listing Rules and regulatory requirements, the Convertible Bonds may (subject to the provisions of the CB Instrument) be transferred to any person provided that where the Convertible Bond(s) is/are intended to be transferred to a connected person (other than the associates of the Bondholder), such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange, if any.

Ranking:

Subject to the operation of the CB Instrument, Shares issued upon exercise of Conversion Rights shall rank *pari passu* in all respects with all other existing Shares outstanding at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the date of conversion.

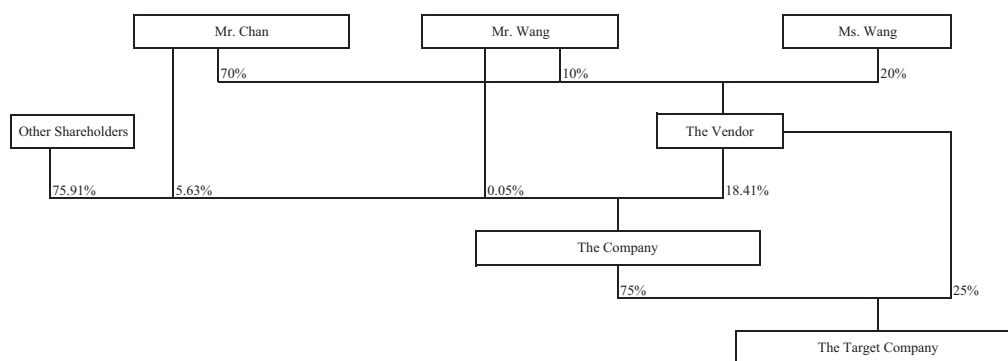
Application of Listing:

No application shall be made to the Stock Exchange for the listing of the Convertible Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

SHAREHOLDING STRUCTURE OF THE TARGET GROUP

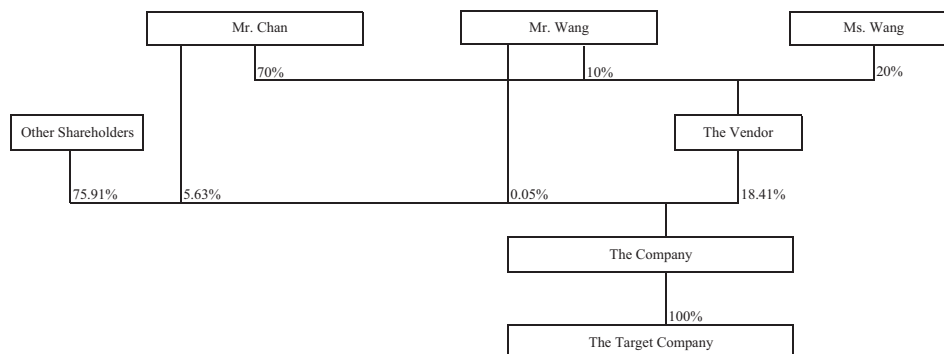
Set out below are the shareholding structures of the Target Group (i) as at the date of the Sale and Purchase Agreement and (ii) immediately upon the Completion:

(i) As at the date of the Sale and Purchase Agreement



LETTER FROM THE BOARD

(ii) Immediately upon the Completion



INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Group is principally engaged in the provision of network system integration including the provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business.

INFORMATION ON THE VENDOR

The Vendor is an investment holding company incorporated in BVI with limited liability on 1 May 2012. As at the Latest Practicable Date, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, the Vendor is owned as to 70% by Mr. Chan, as to 20% by Ms. Wang and as to remaining 10% by Mr. Wang. Mr. Chan is the chairman of the Board, an executive Director and the chief executive officer of the Company. Other than the Shares held by the Vendor, Mr. Chan also beneficially owns 3,741,650 Shares and he is deemed to be interested in 998,200 Shares held by Woodstock Management Limited, which is a company wholly-owned by him, representing in aggregate approximately 5.63% of the issued share capital of the Company as at the Latest Practicable Date. Ms. Wang is an executive Director and a vice chief executive officer of the Company. Mr. Wang is the general manager and director of various subsidiaries of the Target Company. Other than the Shares held by the Vendor, he also beneficially owns 40,000 Shares, representing approximately 0.05% of the issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in BVI with limited liability on 1 July 2009 and is principally engaged in investment holding. As at the Latest Practicable Date and prior to the Completion, the Company and the Vendor hold 75% and 25% equity interest in the Target Company respectively. As at the Latest Practicable Date, the Target Company has 10 wholly-owned subsidiaries, in which 4 are incorporated in Hong Kong, 4 are incorporated in the PRC, 1 is incorporated in Macau and 1 is incorporated in Vietnam.

The Target Group is mainly engaged in the provision of network system integration including provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business. The majority of the Target Group's revenue was generated from the market in the PRC. The principal subsidiaries of the Target Company are located in Beijing, Shanghai, Xi'an, Hong Kong and Vietnam.

Unaudited consolidated financial information of the Target Group

Set out below is a summary of the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2019 and 31 December 2020:

	For the year ended 31 December 2019 RMB'000 Approximate (unaudited)	For the year ended 31 December 2020 RMB'000 Approximate (unaudited)
Revenue	484,611	469,116
Loss before taxation	12,242	14,154
Loss after taxation	14,276	14,539

The unaudited consolidated total asset value and unaudited consolidated net asset value of the Target Group as at 30 June 2021 (with goodwill) were approximately RMB612.5 million and RMB322.1 million respectively. The unaudited consolidated total asset value and unaudited consolidated net asset value of the Target Group as at 30 June 2021 (without goodwill) were approximately RMB477.6 million and RMB187.1 million respectively.

LETTER FROM THE BOARD

SPECIFIC MANDATE

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon full conversion of the Convertible Bonds (assuming there will be no change in the total number of issued Shares from the Latest Practicable Date up to the full conversion of the Convertible Bonds):

	(i) As at the Latest Practicable Date		(ii) Immediately upon full conversion of the Convertible Bonds (assuming there will be no changes in the total number of issued Shares from the Latest Practicable Date up to the full conversion of the Convertible Bonds)	
	<i>Number of Shares</i>	<i>Approximate</i>	<i>Number of Shares</i>	<i>Approximate</i>
Director				
Mr. Chan (Note 1)	4,739,850	5.63%	4,739,850	4.55%
Substantial Shareholder				
Ms. Tin Yat Yu, Carol (Note 2)	9,351,400	11.10%	9,351,400	8.97%
The Vendor and/or the Bondholder(s) (Notes 1, 3, 4 and 5)	15,505,941	18.41%	35,505,941	34.06%
Public Shareholders	54,642,809	64.86%	54,642,809	52.42%
Total	84,240,000	100.00%	104,240,000	100.00%

Notes:

- Mr. Chan, one of the executive Directors, was deemed to be interested in 20,351,991 Shares, comprising of (i) 15,505,941 Shares held by the Vendor by virtue of it being owned as to 70% by Mr. Chan; and (ii) 998,200 Shares held by Woodstock Management Limited by virtue of it being owned as to 100% by Mr. Chan. Mr. Chan further beneficially owns 3,741,650 Shares. Mr. Chan also owns 106,200 share options which can be converted into 106,200 Shares.
- In addition to 9,351,400 Shares, Ms. Tin Yat Yu, Carol owns 70,200 share options which can be converted into 70,200 Shares.

LETTER FROM THE BOARD

3. Ms. Wang, one of the executive Directors, was deemed to be interested in 15,505,941 Shares held by the Vendor by virtue of it being owned as to 20% by Ms. Wang. Ms. Wang further owns 430,200 share options which can be converted into 430,200 Shares.
4. Mr. Wang was deemed to be interested in 15,505,941 Shares held by the Vendor by virtue of it being owned as to 10% by Mr. Wang. Mr. Wang further beneficially owns 40,000 Shares.
5. This is for illustration purpose only. According to the CB Instrument, a Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company's other Shareholders.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As at the Latest Practicable Date, the Target Company is owned as to 75% and 25% by the Company and the Vendor respectively, and is a direct non-wholly owned subsidiary of the Company. Upon the Completion, the Target Company will become a direct wholly-owned subsidiary of the Company. The Directors are optimistic with the Group's business prospect especially in the communication system segment. The principal business of the Target Group, being business of network system integration, including provision of network infrastructure solutions, network professional services as well as smart office software solutions (the "**IT Solutions**"), align with the business development strategy of the Company. The Acquisition therefore represents a good opportunity for the Company to strengthen its market position and presence in the IT industry. The Directors are of the view that the Acquisition will also enable the Group to obtain full control over the management and operation of the Target Group and is in line with the Group's planning and development strategies. Save for the potential dilution effect on the existing shareholdings upon exercising the Conversion Rights, the Directors are not aware of other disadvantages of the Acquisition to the Group.

After the Acquisition, the Directors consider that the business prospect of the Target Group will be promising. The Target Group is beginning to demonstrate the results from the investment in development of smart office software solutions and property technology solutions (the "**PropTech Solutions**"). The application of the PropTech Solutions developed by the Target Group includes intelligent building control system, smart visitor management system, etc. The Target Group would continue to develop its information technology infrastructure system integration business to generate stable source of income and to expand the Group's customer base for the Group's smart office software solutions and the PropTech Solutions. Furthermore, the Target Group is developing an ego-system of partners to enhance the promotion of the Group's smart office software solutions and the PropTech Solutions and to provide cross broader system integration solutions to regional and global customers.

LETTER FROM THE BOARD

Besides, the Target Company has been providing the IT Solutions to enterprises mainly from private sector which have become the consolidated customer base of the Target Company. In 2021, the Target Company has further expanded its customer base to public sector in Hong Kong such as government department to deliver tailor-made and integrated IT Solutions.

The total contracted amount of the backlog of orders as at 30 September 2021 of the Target Group is substantially increased by over three times as compared to that as at 31 December 2020. It is expected that the revenue of the Target Group will be significantly increased and the business prospect of the Target Group is promising.

The Directors (including the Independent Board Committee after considering the advice from the Independent Financial Adviser but excluding Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Acquisition is on normal commercial terms, and the terms of the Sale and Purchase Agreement (including the Consideration) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

As at the Latest Practicable Date, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, the Vendor is owned as to 70% by Mr. Chan, an executive Director and is beneficially and deemed to be interested in approximately 5.63% of the issued share capital of the Company, as to 20% by Ms. Wang, an executive Director, and as to remaining 10% by Mr. Wang, who is beneficially interested in approximately 0.05% of the issued share capital of the Company. Accordingly, the Vendor, Mr. Chan, Ms. Wang and Mr. Wang are considered to have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. As such, each of the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates is required to abstain from voting on the resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) at the SGM. In addition, Mr. Chan and Ms. Wang, being the executive Directors, have also abstained from voting on the resolutions passed by the Board to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. Save for Mr. Chan and Ms. Wang, none of the Directors has abstained from voting on the

LETTER FROM THE BOARD

resolutions passed by the Board to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, save for the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates, no other Shareholders have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder.

Completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

RECOMMENDATION

Having considered the above-mentioned benefits to the Group, the Directors (including the Independent Board Committee after considering the advice from the Independent Financial Adviser but excluding Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the Independent Board Committee after considering the advice from the Independent Financial Adviser but excluding Mr. Chan and Ms. Wang who have abstained from voting due to their material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate).

SGM

The notice of the SGM to be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong (or any adjournment thereof) on Friday, 19 November 2021 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular for the purpose of considering and, if thought fit, passing the resolution to be proposed at the SGM, among other things, approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate).

LETTER FROM THE BOARD

The Vendor, Mr. Chan, Ms. Wang and Mr. Wang are considered to have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. As such, each of the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates is required to abstain from voting on the resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) at the SGM. To the best of the Directors' knowledge, information and belief, save for the Vendor, Mr. Chan, Ms. Wang, Mr. Wang and their respective associates, no other Shareholders have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and are required to abstain from voting on the resolution at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Tuesday, 16 November 2021 to Friday, 19 November 2021 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for the right to attend and vote at the SGM, all transfers of Shares accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 November 2021.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendix to this circular.

Your faithfully,
By Order of the Board
InvesTech Holdings Limited
Chan Sek Keung, Ringo
Chairman and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



InvesTech Holdings Limited

威訊控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1087)

2 November 2021

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF 25% EQUITY INTEREST IN
THE TARGET COMPANY INVOLVING
ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

We refer to the circular of the Company dated 2 November 2021 (the “**Circular**”) of which this letter forms part. Capitalised terms used herein shall have the same meaning as those defined in the Circular unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate), and to advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and to the voting action that should be taken.

We wish to draw your attention to the “Letter from the Board” set out on page 6 to page 30 of the Circular, the “Letter from the Independent Financial Adviser” set out on page 33 to page 58 of the Circular to the Independent Board Committee and the Independent Shareholders which contains its advice to you and us in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate), as well as the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendation.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the Sale and Purchase Agreement, the transactions contemplated thereunder and the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser” in the Circular, we are of the opinion that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder and the terms of the Convertible Bonds, though not in the ordinary and usual course of the business of the Group, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate).

Yours faithfully,

Independent Board Committee

Mr. David Tsoi
*Independent Non-Executive
Director*

Mr. Lu, Brian Yong Chen
*Independent Non-Executive
Director*

Mr. Yuen Shiu Wai
*Independent Non-Executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Lego Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate), which has been prepared for the purpose of inclusion in this circular.



2 November 2021

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF 25% EQUITY INTEREST IN
THE TARGET COMPANY INVOLVING
ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 2 November 2021 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined or the context requires otherwise.

On 23 September 2021, the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor was desirous of selling and transferring to the Company, and the Company was desirous of acquiring from the Vendor, the Sale Shares, representing 25% equity interest in the Target Company, at the Consideration of HK\$30,000,000. The Consideration shall be settled by the issue of the Convertible Bonds in the principal amount of HK\$30,000,000. As at the Latest Practicable Date, the Company holds 75% equity interest in the Target Company. Upon the Completion, the Target Company will become a direct wholly owned subsidiary of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

References are also made to the announcements of the Company dated 6 November 2015 and 13 November 2015 in relation to, among other things, the acquisition of 75% equity interest in the Target Company. On 6 November 2015 (after trading hours), the Company entered into the sale and purchase agreement with the Vendor and Mr. Chan (being the guarantor of the Vendor) to purchase 75% equity interest of the issued share capital of the Target Company from the Vendor for a total consideration of HK\$450 million. The completion of such acquisition was taken place on 13 November 2015.

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

As at the Latest Practicable Date, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction on the part of the Company and is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors of the Company, namely Mr. David Tsoi, Mr. Lu, Brian Yong Chen and Mr. Yuen Shiu Wai has been established, to advise the Independent Shareholders as to whether the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate) are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to whether to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate). As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in these regards.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years prior to the Latest Practicable Date, there was no engagement between the Company and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we had received or will receive any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, amongst other things, (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us by the Directors and/or the Management for which they are solely and wholly responsible for, or contained or referred to in the Circular were true, accurate and complete in all respects at the time they were made and up to the Latest Practicable Date and may be relied upon. We have also assumed that all such statements of belief, opinions and intention of the Directors and/or Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and/or the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so up to the Latest Practicable Date.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. In formulating our recommendation in relation to the Sale and Purchase Agreement (including the issue of the Convertible Bonds and the grant of the Specific Mandate) and pursuant to Rule 13.80(2), we have obtained and reviewed the relevant information in relation to the Acquisition, among others, (i) the Sale and Purchase Agreement (including the principal terms of the Convertible Bonds); (ii) the annual report for the year ended 31 December 2020 and the interim report for the six months ended 30 June 2021 of the Company; (iii) the unaudited consolidated financial statements of the Target Group for the two years ended 31 December 2019 and 2020; and (iv) the unaudited consolidated financial statements of the Target Group for the six months ended 30 June 2020 and 2021. We have also performed researches on industry trends and government policies in the PRC in connection with the principal business of the Target Group from the publicly available information such as the website of Ministry of Industry and Information Technology of the PRC and the ASKCI Consulting Co. Ltd. With respect to our researches on the (i) market comparables (namely the Comparable CB Issues (as defined below) and the Comparable Companies (as defined below)); and (ii) the historical Share performance and historical trading volume of Shares of the Company, we have performed our independent analysis based on the publicly available information on the website of the Stock Exchange and Bloomberg. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and/or the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, or any of their respective subsidiaries and associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate. Except for its inclusion in the Circular and for the purpose of the SGM, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Information on the Company

The Company is an investment holding company incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Group is principally engaged in the provision of network system integration including the provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business.

2. Information on the Vendor

The Vendor is an investment holding company incorporated in BVI with limited liability on 1 May 2012. As at the Latest Practicable Date, the Vendor is a substantial shareholder of the Company interested in 15,505,941 Shares, representing approximately 18.41% of the issued share capital of the Company, and is, therefore, a connected person of the Company under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, the Vendor is owned as to 70% by Mr. Chan, as to 20% by Ms. Wang and as to remaining 10% by Mr. Wang. Mr. Chan is the chairman of the Board, an executive Director and the chief executive officer of the Company. Other than the Shares held by the Vendor, Mr. Chan also beneficially owns 3,741,650 Shares and he is deemed to be interested in 998,200 Shares held by Woodstock Management Limited, which is a company wholly-owned by him, representing in aggregate approximately 5.63% of the issued share capital of the Company as at the Latest Practicable Date. Ms. Wang is an executive Director and a vice chief executive officer of the Company. Mr. Wang is the general manager and director of various subsidiaries of the Target Company. Other than the Shares held by the Vendor, he also beneficially owns 40,000 Shares, representing approximately 0.05% of the issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Information on the Target Group

3.1. Background information of the Target Group

The Target Company is a company incorporated in BVI with limited liability on 1 July 2009 and is principally engaged in investment holding. As at the Latest Practicable Date and prior to the Completion, the Company and the Vendor hold 75% and 25% equity interest in the Target Company respectively. As at the Latest Practicable Date, the Target Company has 10 wholly owned subsidiaries, in which four are incorporated in Hong Kong, four are incorporated in the PRC, one is incorporated in Macau and one is incorporated in Vietnam.

The Target Group is mainly engaged in the provision of network system integration including provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business. The majority of the Target Group's revenue was generated from the market in the PRC. The principal subsidiaries of the Target Company are located in Beijing, Shanghai, Xi'an, Hong Kong and Vietnam.

3.2. Financial information of the Target Group

Sets forth below is the unaudited consolidated financial information of the Target Group for the two years ended 31 December 2019 and 2020, and for the six months ended 30 June 2020 and 2021 as extracted from the unaudited consolidated management accounts of the Target Group:

	For the year ended 31 December		For the six months ended 30 June	
	2019	2020	2020	2021
	RMB' million	RMB' million	RMB' million	RMB' million
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	484.6	469.1	200.0	230.4
Gross profit	61.1	51.3	23.1	20.4
Loss before taxation	12.2	14.2	7.1	11.8
Loss after taxation	14.3	14.5	8.0	10.6

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December 2020

The revenue of the Target Group slightly decreased from approximately RMB484.6 million for the year ended 31 December 2019 to approximately RMB469.1 million for the year ended 31 December 2020, representing a decrease of approximately RMB15.5 million, or approximately 3.2%. Such decrease is explained by the decrease in revenue in Vietnam. The Group's gross profit amounted to approximately RMB51.3 million for the year ended 31 December 2020, representing a decrease of approximately RMB9.8 million, or approximately 16.0% as compared with that of approximately RMB61.1 million for the year ended 31 December 2019. The decrease in gross profit margin from approximately 12.6% for the year ended 31 December 2019 to approximately 10.9% for the year ended 31 December 2020, was mainly attributable to the decrease in revenue in Vietnam, which had a relatively high profit margin as compared to that of other business presences of the Target Group in 2020.

Despite the decrease in revenue, net loss after taxation of the Target Group for the year ended 31 December 2020 amounted to approximately RMB14.5 million and remain constant as compared to that of 2019. This is primarily due to the cost control measures implemented by the Target Group and accordingly reduced the general and administrative expenditures, and the decrease in income tax expense for the year of 2020.

For the six months ended 30 June 2021

The revenue of the Target Group increased from approximately RMB200.0 million for the six months ended 30 June 2020 to approximately RMB230.4 million for the six months ended 30 June 2021, representing an increase of approximately RMB30.4 million, or approximately 15.2%. Such increase is explained by the increase in customers' demand and orders due to the gradual recovery of economy from COVID-19 during the first half of 2021 as compared to the corresponding period in 2020. The gross profit amounted to approximately RMB20.4 million for the six months ended 30 June 2021, representing a decrease of approximately RMB2.7 million, or approximately 11.7% as compared with that of approximately RMB23.1 million for the six months ended 30 June 2020. The decrease in gross profit margin from approximately 11.6% for the six months ended 30 June 2020 to approximately 8.9% for the six months ended 30 June 2021 was mainly attributable to the increase in sales of hardware products in the PRC, which had a relatively low profit margin as compared to that of other products and services of the Group in first half of 2021 as compared to the corresponding period in 2020.

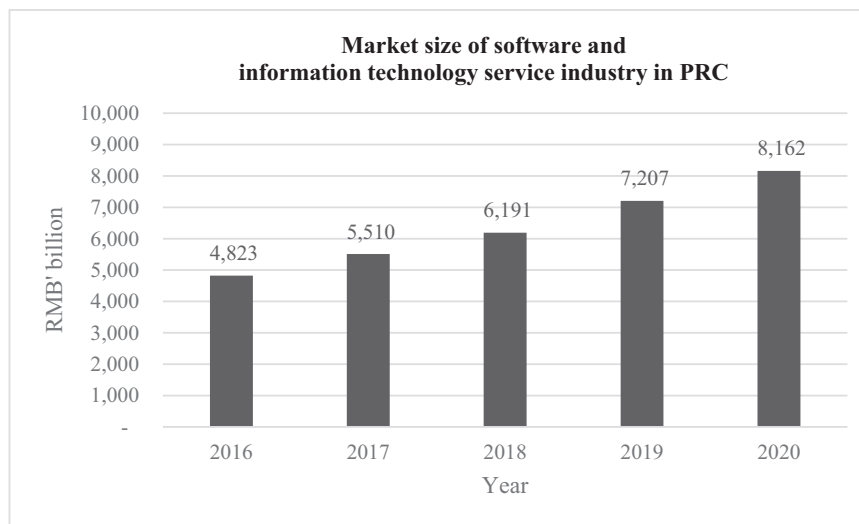
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Net loss after taxation of the Target Group for the six months ended 30 June 2021 amounted to approximately RMB10.6 million, representing an increase of approximately RMB2.6 million from approximately RMB8.0 million for the six months ended 30 June 2020. Such increase is mainly attributable to the decrease in gross profit as discussed above.

The unaudited consolidated net asset value of the Target Group (with goodwill of approximately RMB135.0 million, which has been recognised by the Group as at 30 June 2021) were approximately RMB322.1 million, and the unaudited consolidated net asset value of the Target Group (without the goodwill) were approximately RMB187.1 million, as at 30 June 2021.

3.3. Prospects of the Target Group

As aforementioned, the Target Group is principally engaged in the business of network system integration including provision of network infrastructure solutions, network professional services and smart office software solutions, whereas majority of the Target Group's revenue is generated from the PRC market. The chart below sets forth the market size (in terms of revenue) of software and information technology service industry in the PRC from 2016 to 2020:



Source: the website of the Ministry of Industry and Information Technology (MIIT) of the PRC

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The fourth session of the 13th National People's Congress passed the "14th Five-Year Plan for National Economic and Social Development and the Outline of Long-Term Goals for 2035" (the "**Outline**"). According to ASKCI Consulting Co. Ltd., among other things, through the Outline China plans to strengthen original and leading scientific and technological research which advocates innovation in many information technologies related fields. In addition, a series of favourable government policies will be implemented in various aspects, including fiscal and taxation, investment and financing, research and development, import and export, etc, with an aim to promote the development of the software and information technology service industry in the PRC. Moreover, we noted from the Outline that the PRC Government intends to implement a series of favourable government policies to promote the development of the software and information technology service industry, with principal objectives including but not limited to, (i) to promote in-depth integration of digital technology with the economy, empower the transformation and upgrading of traditional industries, and give rise to new industries, new formats and new models, and strengthen the new drivers of economic development; (ii) full integration of digital technology into social interactions which forms the new trends in the society, promote innovation in public services and social operations, and build an overall digital life for citizens; and (iii) to prompt a wider application of digital technology in government management services, promote government governance process reengineering and model optimisation, and continuous improvement in relation to decision-making science and service efficiency.

As shown in the chart above, as benefit from the favourable government policies, the market size of the software and information technology service industry in the PRC presents a steady growing trend from 2016 to 2020. The market size of which increased from approximately RMB4,823 billion in 2016 to approximately RMB8,162 billion in 2020, representing a CAGR of approximately 14.06%. According to the MIIT, the market size of the software and information technology service industry in the PRC for the eight months ended 31 August 2021 amounted to approximately RMB5,971 million, representing an increase of approximately 20.8% as compared with the corresponding period in 2020.

Based on the above, we are of the view that the industrial prospects of the Target Group remain positive.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Reasons for and benefits of the Acquisition

According to the annual report of the Company for the year ended 31 December 2020, the Company operates its information technology (IT) related businesses through the Target Group which contributed as to approximately 99.7% of the revenue of the Group for the year ended 31 December 2020. In order to focus on the core business of the Company and strengthen the market position in the PRC and Hong Kong, the Group is actively looking for opportunities by building a new business ecosystem of the Group, including branding the Group, repositioning existing products of the Group, actively in identifying IT infrastructure and services related projects, to become a one-stop solution IT service provider as a result of the increasing demand and enterprise expenditure of IT services and IT infrastructure since the outbreak of COVID-19 and the increasing of the awareness of internet security issue. Further as mentioned in the interim report of the Company for the six months ended 30 June 2021, the Group is beginning to see the results from its investment in development of smart office software solutions and property technology solutions which application includes intelligent building control system, smart visitor management system, etc. The development of artificial intelligence, internet of things technology and the global awareness of the importance of sustainability, green, productivity and manageability in commercial real estate sector have presented and promising prospect for the Group. In addition, the Group would continue to develop its IT infrastructure system integration business to generate stable source of income and to expand the customer base of the Group for its smart office software solutions & property technology solutions. Over the past five years (from 2016 to 2020), as a result of the favourable government policies and driven by the market trend, the software and information technology service industry in the PRC developed steadily with a CAGR of approximated 14.06%. Despite the fact that the Target Group is currently suffering from a net loss position, the Directors are optimistic with the Group's business prospects especially in the communication system segment and the Directors consider that the business prospect of the Target Group will be promising. As stated in the Letter from the Board, the Target Company has been providing the IT Solutions to enterprises mainly from private sector which have become the consolidated customer base of the Target Company. In 2021, the Target Company has further expanded its customer base to public sector in Hong Kong such as government department to deliver tailor-made and integrated IT Solutions. As part of our due diligence work, we have obtained and reviewed the backlog of orders of the Target Group as at 30 September 2021 and compared against the backlog of orders as at 31 December 2020, and we noted that, in 2021, the Target Group has successfully obtained new order from the government department of Hong Kong in relation to the provision of IT Solutions. In addition, we also noted that the total contracted amount of the backlog of orders as at 30 September 2021 of the Target Group is substantially increased by over three times as compared to that as at 31 December 2020. Hence, given the significant revenue stream as well as the potential profit that would be generated to the Target Group, we concur the Directors' view that, the Acquisition represents a good opportunity for the Company to increase its investment in the industry with a primary focus and is therefore in line with the Group's business development strategy with an aim to enhance the long-term growth potential of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Furthermore, the Target company is currently owned as to 75% and 25% by the Company and the Vendor, respectively, and is a direct non-wholly owned subsidiary of the Company. By acquiring the remaining 25% equity interest in the Target Company from the Vendor, the Target Company will become a direct wholly owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be fully reflected in the consolidated financial statements of the Group as the minority interest of the Target Company held by the Vendor will no longer be recognised, whereas the Acquisition will enable the Company to gain full control of the Target Group. We understand from the Management and concur that, upon Completion of the Acquisition, by gaining full control over the management and operation of the Target Group, strategic decisions could be implemented in a more timely and efficient manner without the need of negotiation with and obtaining consent from another shareholder, as well as enhancing the precision in executing the Group's planning and development strategy. In addition, it is also the objective of the Management to take full control over the Target Group in order to improve its financial performance so as to bring satisfactory returns to the Company and its Shareholders as a whole.

5. The Acquisition

5.1. Principal terms of the Sale and Purchase Agreement

Date:	23 September 2021
Parties:	(i) the Company, as the purchaser; and (ii) the Vendor
Assets to be acquired:	Pursuant to the Sale and Purchase Agreement, the Acquisition shall involve the Vendor selling and transferring to the Company, and the Company acquiring from the Vendor, the Sale Shares free from any encumbrance whatsoever. The Sale Shares represent 25% equity interest in the Target Company. As at the Latest Practicable Date, the Vendor is the sole legal and beneficial owner of the Sale Shares.
Consideration:	The Consideration of HK\$30,000,000 shall be fully settled and discharged at Completion by the Company's issuance of Convertible Bonds in the principal amount of HK\$30,000,000 with 3-year maturity at the coupon rate of 1.5% per annum convertible into a maximum of 20,000,000 Convertible Shares at the Conversion Price of HK\$1.50 per each Conversion Share.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

**Conditions
precedent:**

Completion shall be subject to the following conditions precedent having been satisfied or fulfilled:

- (a) the Independent Shareholders having passed all requisite resolutions at the SGM to approve the Acquisition and the issuance of the Convertible Bonds;
- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to Completion;
- (c) the Vendor being, and remaining as, the sole legal and beneficial owner of the Sale Shares free from any encumbrance and third party rights of any kind;
- (d) the Company having completed due diligence examinations to ascertain that the Sale Shares are free from any encumbrance whatsoever (the “**DD Examinations**”), with the results and outcome of the DD Examinations being satisfactory to the Company;
- (e) the Target Group not being insolvent and not having been presented with any winding-up petition or application for receivership; and
- (f) all the representations, warranties and undertakings of or by the Vendor and the Company as set out in the Sale and Purchase Agreement remaining true and accurate in all respects at all times up to Completion.

As at the Latest Practicable Date, none of the above conditions precedent has been satisfied or fulfilled.

Please refer to the section headed “The Sale and Purchase Agreement” in the Letter from the Board for the principal terms of the Sale and Purchase Agreement in details.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our review of the Sale and Purchase Agreement, it is noted that the above principal terms are customary for similar type of transactions in the market. Taking into account the Consideration being fair and reasonable as discussed below, we are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

5.2. Analysis on the fairness and reasonableness of the Consideration

According to the Letter from the Board, the Consideration was arrived at after arm's length negotiations between the Parties with reference to, among other things, (i) the unaudited consolidated net asset value of the Target Group (without goodwill) of approximately RMB187.1 million as at 30 June 2021; (ii) the unaudited consolidated net asset value of the Target Group (with goodwill of approximately RMB135.0 million) of approximately RMB322.1 million as at 30 June 2021; (iii) the business development and future prospect of the Target Group; and (iv) the reasons for and benefits of the Acquisition.

The Consideration represents (i) a discount of approximately 46.79% to the consolidated net asset value of the Target Group (without goodwill) attributable to 25% equity interest in the Target Group, being approximately RMB46.8 million (equivalent to approximately HK\$56.4 million); and (ii) a discount of approximately 69.07% to the consolidated net asset value of the Target Group (with goodwill) attributable to 25% equity interest in the Target Group, being approximately RMB80.5 million (equivalent to approximately HK\$97.0 million). We understand from the Management that, given the financial performance of the Target Group recorded net loss after taxation of approximately RMB14.5 million for year ended 31 December 2020, the Directors are of the view and we concur that, it is not uncommon to determine the consideration for acquiring a loss-making company with reference to its net asset value.

According to the interim report of the Company for the six months ended 30 June 2021, the Company had goodwill with a net carrying amount of approximately RMB135.0 million as at 30 June 2021. Such goodwill was then initially recognised in relation to the acquisition of the 75% equity interest in the Target Company in 2015 and subject for impairment review from time to time, details of which are set out in the announcements of the Company dated 6 and 13 November 2015.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison with comparable companies

Price-to-earnings ratio (“P/E”) and price-to-book ratio (“P/B”) are the most commonly used benchmarks in valuing a company or business. However, as the Target Group was loss making during its latest financial year, the P/E is therefore not applicable. Given that the Consideration was determined with reference to, among others, the unaudited net asset value of the Target Group, we therefore adopted the P/B analysis to assess the fairness and reasonableness of the Consideration.

For the purpose of our analysis, we have searched for companies (i) listed on the Main Board of the Stock Exchange; (ii) which are principally engaged in similar lines of business as the Target Group, being the information technology services, including provision of network infrastructure solutions, network professional services as well as internet related software solutions, etc.; (iii) with 80% or above of their revenue derived from such businesses during their respective latest financial year; and (iv) whose market capitalisation below HK\$500 million. To the best of our knowledge, we have identified an exhaustive list of nine companies (the “**Comparable Companies**”) that met the aforementioned criteria. The table below illustrates the details of the Comparable Companies based on their closing prices as at the date of the Sale and Purchase Agreement (i.e. 23 September 2021) and their latest published financial information:

The table below sets forth the summary of the Comparable Companies:

Name of company	Stock code	Principal business	Market capitalisation (HK\$ million)	Percentage of revenue from IT related business to total revenue	P/B (times)
Capinfo Company Limited	1075.HK	Principally engaged in the provision of information source service, e-commerce service, network interconnection, computer equipment and hardware and software, technical development, technical consulting, technical service and technical training of inter-networking, communication hardware and software products, integration and agency of information and network system	410.5	100%	1.10
Microwave Group Limited	1985.HK	Principally engaged in the provision of IT infrastructure solution services and IT managed services business	276.0	100%	1.24
Futong Technology Development Holdings Limited	465.HK	Principally engaged in provision of enterprise IT infrastructure products, services and solutions, cloud computing products and intelligent digitalised application products	196.1	100%	0.31

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Name of company	Stock code	Principal business	Market capitalisation (HK\$' million)	Percentage of revenue from IT related business to total revenue	P/B (times)
Vixel Technologies Holdings Limited	1782.HK	Principally engaged in providing internet and web application performance management solutions	203.2	100%	0.94
Kantone Holdings Limited	1059.HK	Principally engaged in sale of systems products, software licensing and customisation, leasing of systems products and trading of cultural products	117.2	85%	1.80
China ITS (Holdings) Co., Ltd.	1900.HK	Principally engaged in the provision of transportation infrastructure technology solutions and services	297.7	85%	0.15
Maxnerva Technology Services Limited	1037.HK	Principally engaged in the provision of smart manufacturing, smart office and new retail solutions businesses	305.2	100%	0.78
Edensoft Holdings Limited	1147.HK	Principally engaged in the provision of information technology solutions and cloud services.	214.0	100%	0.86
Enterprise Development Holdings Limited	1808.HK	Principally engaged in the provision of integrated business software solutions	83.0	99%	0.45
		Maximum			1.80
		Minimum			0.15
		Median			0.86
		Average			0.85
		The Acquisition			0.53^(note)

Source: the website of the Stock Exchange and Bloomberg

Note: being the implied P/B of the Acquisition which was calculated based on the Consideration of HK\$30 million divided by 25% of the Target Group's net asset value (without the goodwill) of approximately RMB46.8 million (equivalent to approximately HK\$56.6 million) as at 30 June 2021.

As shown from the table above, the P/B of the Comparable Companies ranged from approximately 0.15 times to 1.80 times with an average of approximately 0.85 times. The implied P/B of the Acquisition amounted to approximately 0.53 times, is therefore within the range of P/B and below the average P/B of the Comparable Companies. In light of the above and as the Acquisition only constitutes the minority interest in the Target Group, we considered the Consideration to be fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above and the basis of determination of the Consideration being fair and reasonable, we are of the view that the Consideration and the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the transactions contemplated thereunder are in the interests of the Company and the Independent Shareholders as a whole.

5.3. The Convertible Bonds

5.3.1 Principal terms of the Convertible Bonds

Issuer:	The Company
Principal amount:	HK\$30,000,000
Maturity date:	The date which falls on the third anniversary of the First Issue Date
Interest rate:	The Convertible Bonds bear interest on the outstanding principal amount from and including the First Issue Date at the rate of 1.5% per annum payable on a semi-annual basis in arrears from the First Issue Date.
Conversion Price:	<p>The initial Conversion Price is HK\$1.50 per Conversion Share, subject to adjustments set out in the section headed “The Convertible Bonds – Adjustments to the Conversion Price” in the Letter from the Board.</p> <p>The initial Conversion Price of HK\$1.50 per Conversion Share represents:</p> <ul style="list-style-type: none">• a discount of approximately 25% to the closing price of HK\$2.000 per Share as quoted on the Stock Exchange on the Latest Practicable Date;• a premium of approximately 6.38% over the closing price of HK\$1.410 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

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- a premium of approximately 4.31% over the average closing price of approximately HK\$1.438 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- a premium of approximately 3.38% over the average closing price of approximately HK\$1.451 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.
- a discount of approximately 75.06% to the audited consolidated net asset value per Share of approximately RMB4.992 (equivalent to approximately HK\$6.015) per Share as at 31 December 2020, based on a total of 84,240,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of approximately RMB420,544,000 as at 31 December 2020.

The Conversion Price was determined after arm's length negotiations between the Parties with reference to the prevailing market price of the Shares.

**Conversion
Shares:**

Assuming the Conversion Rights are exercised in full at the initial Conversion Price, the maximum of 20,000,000 Conversion Shares represent (i) approximately 23.74% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 19.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming there will be no change in the total number of issued Shares from the Latest Practicable Date up to the full conversion of the Convertible Bonds).

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Conversion restrictions: A Bondholder shall not exercise any Conversion Rights if, as a result of such exercise, it will cause the public float of the Company to be unable to meet the relevant requirements under the Listing Rules.

A Bondholder shall not exercise any Conversion Rights, and the Company shall not be required to issue any Conversion Shares, if, as a result of the relevant exercise of the Conversion Rights, the Bondholder and/or parties acting in concert with it would be required to make a mandatory general offer under Rule 26 of the Takeovers Code for the Shares held by the Company's other Shareholders.

Ranking: Subject to the operation of the CB Instrument, Shares issued upon exercise of Conversion Rights shall rank *pari passu* in all respects with all other existing Shares outstanding at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the date of conversion.

Application of Listing: No application shall be made to the Stock Exchange for the listing of the Convertible Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Please refer to the section headed "The Convertible Bonds" in the Letter from the Board regarding the principal terms of the Convertible Bonds in details.

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5.3.2 Analysis of the principal terms of the Convertible Bonds

In order to assess fairness and reasonableness of the principal terms of the Convertible Bonds, we have identified and reviewed an exhaustive list of ten comparable transactions announced by companies listed on the Stock Exchange from 1 September 2020 up to and including the date of the Sale and Purchase Agreement (the “**Review Period**”) in connection to the issuance of convertible bonds (excluding those are perpetual in term and have no fixed maturity date) as consideration for acquisitions in concern and conducted by respective listed issuers (the “**Comparable CB Issues**”). We consider the Review Period of approximately 12 months to be sufficient and appropriate for our analysis as the Review Period has covered the prevailing market conditions and sentiments in the Hong Kong equity capital market at the time which the terms of the Convertible Bonds were determined, such that the Comparable CB Issues could reflect the recent market trends of the terms involved in issuing the convertible bonds as consideration for acquisitions under similar market conditions and sentiments. Although the listed issuers in the Comparable CB Issues may have different principal businesses, market capitalisation, profitability, financial position and identities of counterparties as compared to that of the Company, and there were different reasons for their acquisitions and for issuing the convertible bonds, we consider that the Comparable CB Issues can provide us a general reference on the recent market trend of similar transactions in Hong Kong equity capital market. Based on the aforesaid, we consider the Comparable CB Issues are appropriate as one of the factors we considered for the purpose of assessing the fairness and reasonableness of the principal terms of the Convertible Bonds.

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The table below sets forth the summary of the Comparable CB Issues during the Review Period:

Date of announcement	Name of company	Stock code	Principal business	Maximum aggregate principal amount	Maturity (years)	Interest rate per annum	Premium/(Discount) of conversion price over/(to)					Conversion price subject to adjustment events (Yes/No)	Connected transaction (Yes/No)
							The average closing share price on the date of respective agreement	immediately prior to/including the date of respective agreement	trading days	The average closing share price for the last five consecutive trading days	The average closing share price for the last ten consecutive trading days		
4 September 2020	Hao Tian International Construction Investment Group Limited	1341.HK	Principally engaged in the construction machinery related businesses	HK\$150,000,000	3	5%	(6.25)%	(7.12)%	(21.10)%	(21.10)%	Yes	Yes	No
30 October 2020	Summit Ascent Holdings Limited	102.HK	Principally engaged in the operation of gaming and hotels	US\$3,000,000	5	nil	293.30%	275.50%	294.10%	294.10%	Yes	Yes	No
27 November 2020	Elite Holdings Limited	223.HK	Principally engaged in gas businesses and commodity trading	RM\$17,000,000	3	nil	29.90%	37.00%	39.30%	39.30%	Not disclosed	Yes	Yes
21 December 2020	Kinetix Systems Holdings Limited	8606.HK	Principally engaged in the provision of information technology infrastructure solutions	HK\$48,000,000	5	nil	(14.29)%	1.49%	0.00%	0.00%	Yes	Yes	No
13 January 2021	Jiayuan International Group Limited	2768.HK	Principally engaged in the property development, property investment and provision of property management services	HK\$3,420,640,000	5	nil	5.10%	6.45%	6.90%	6.90%	Yes	Yes	Yes
17 March 2021	Qingdao Holdings International Limited	499.HK	Principally engaged in property businesses	HK\$2,224,200,000	9	nil	289.60%	336.90%	0.00%	0.00%	Yes	Yes	Yes
11 June 2021	VBG International Holdings Limited	8365.HK	Principally engaged in the provision of corporate finance advisory services, placing and underwriting services, business consultancy services, asset management services and securities brokerage and margin financing	HK\$30,000,000	2	5.0%	11.10%	11.10%	13.00%	13.00%	Yes	Yes	No
9 July 2021	Expert Systems Holdings Limited	8319.HK	Principally engaged in the provision of information technology infrastructure solutions	HK\$75,600,000	5	2.5%	5.70%	7.00%	9.90%	9.90%	Yes	Yes	Yes
9 August 2021	DeTai New Energy Group Limited	559.HK	Principally engaged in electric cycles, wine and financial businesses	HK\$185,201,000	2	nil	0%	6.88%	29.67%	29.67%	Yes	Yes	No
23 September 2021	Frontier Service Group Limited	500.HK	Principally engaged in aviation, logistics and information businesses	HK\$210,000,000	2	2.5%	16.30%	15.70%	25.0%	25.0%	Yes	Yes	No
				Maximum (note)	5.0	5.0%	29.90%	37.00%	39.30%	39.30%			
				Minimum (note)	2.0	nil	(14.29)%	(7.12)%	(21.10)%	(21.10)%			
				Median (note)	3.0	1.25%	5.40%	6.94%	11.45%	11.45%			
				Average (note)	3.38	1.88%	5.95%	9.81%	12.83%	12.83%			
			The Convertible Bonds	HK\$30,000,000	3	1.5%	6.38%	4.31%	3.38%	3.38%	Yes	Yes	Yes

The Convertible Bonds

Source: the website of the Stock Exchange

Note: The proposed issue of convertible bonds by Summit Ascent Holdings Limited (stock code: 102.HK) and Qingdao Holdings International Limited (stock code: 499.HK) are considered as outliers due to the fact that the premiums represented by the relevant conversion prices are exceptionally high as compared to other comparable issues, which may in turn provide an abnormal maximum value and average value for comparison and thus excluded from the above analysis.

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(i) Maturity and interest rate

As shown in the table above, the Comparable CB Issues have maturity terms ranged from two years to five years with interest rates ranged from nil to 5.0% per annum, whereas the Convertible Bonds has a maturity term of three years with an interest rate of 1.5% per annum. Both of the maturity term and interest rate of the Convertible Bonds fall within the respective range of the Comparable CB Issues. Thus, we consider the maturity term and interest rate of the Convertible Bonds to be generally in line with the recent market practice.

(ii) Conversion price

The Conversion Price of HK\$1.50 per Conversion Share represents (i) a premium of approximately 6.38% over the closing price of HK\$1.410 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; (ii) a premium of approximately 4.31% over the average closing price of HK\$1.438 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and (iii) a premium of approximately 3.38% over the average closing price of HK\$1.451 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

As shown in the table above, the conversion prices of the Comparable CB Issues ranged from (i) a discount of approximately 14.29% to a premium of approximately 29.90% over the closing prices of the respective shares on the date of the respective agreements; and (ii) a discount of approximately 7.12% to a premium of approximately 37.00% over the average closing prices of respective shares for the last five consecutive trading days immediately prior to or up to and including the date of the respective agreements; and (iii) a discount of approximately 21.10% to a premium of approximately 39.30% over the average closing prices of respective shares of the last ten consecutive trading days immediately prior to or up to and including the date of the respective agreements.

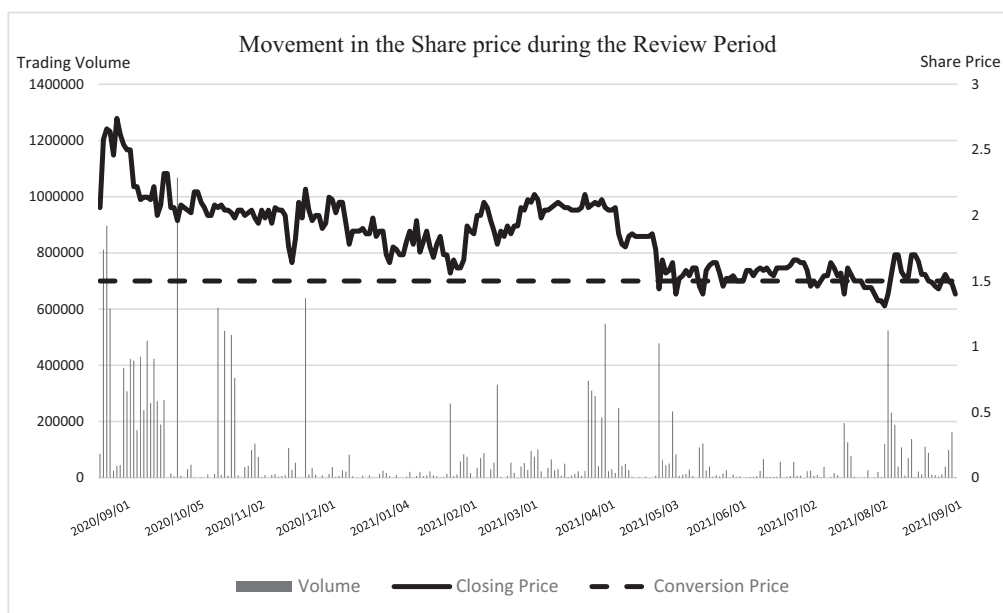
Given that the premiums as represented by the Conversion Price over the closing price of the Shares on the date of the Sale and Purchase Agreement; the average closing price of the Shares for the last five consecutive trading days up to and including the date of the Sale and Purchase Agreement; and the average closing price of the Shares for the last ten consecutive trading days up to and including the date of the Sale and Purchase Agreement, amounted to approximately 6.38%; 4.31% and 3.38%, respectively, which are considered to be within respective ranges of the Comparable CB Issues.

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For our analysis purpose, in assessing the fairness and reasonableness of such discount as presented by the Conversion Price, we have further looked into the historical closing prices and historical trading volume of the Shares as quoted on the Stock Exchange during the Review Period as follows:

Historical Share performance

The following chart sets forth the daily closing prices of the Shares on the Stock Exchange during the Review Period:



In determining the Conversion Price, the Directors consider the market price of the Shares traded on the Stock Exchange in the past three months immediately prior to and including the date of the Sale and Purchase Agreement (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$1.52 per Share.

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Based on the chart above, during the Review Period, the Share price fluctuated between (i) the highest closing price of HK\$2.74 per Share as recorded on 8 September 2020; and (ii) the lowest closing price of HK\$1.31 per Share as recorded on 12 August 2021, and the movement of the Share price presents a downward trend in general throughout the Review Period. The Conversion Price of HK\$1.50 lies within the range of the lowest and highest closing prices of the Shares as quoted on the Stock Exchange during the Review Period.

In addition, we have reviewed the Share price performance against the net asset value per Share during the Review Period as follows:

Period ⁽¹⁾	Net assets RMB'000	Published net asset value per Share ⁽²⁾ HK\$	Share price			Discount to net asset value per Share		
			Highest HK\$	Lowest HK\$	Average HK\$	Highest	Lowest	Average
1 September 2020 to 31 March 2021	532,649	9.11	2.74	1.56	2.00	69.9%	82.9%	78.0%
1 April 2021 to 31 August 2021	371,099	6.34	2.16	1.31	1.63	65.9%	79.3%	74.3%
1 September 2021 to the date of the Sale and Purchase Agreement	300,947	5.14	1.55	1.40	1.46	69.9%	72.8%	71.6%
Simple average								74.7%

Source: the website of the Stock Exchange

Note:

1. Being the beginning day of the relevant period represents the first trading day immediately after the publication of the relevant results announcement of the Company during the Review Period.
2. The net asset value per Share is calculated based on the net asset value attributable to the Shareholders as extracted from respective results announcement of the Company and divided by the total number of the Shares in issues as at the respective period end date.

As set out in the table above, we noticed that, during the Review Period, the Shares have been constantly trading at discounts to the then net asset value per Shares at all times. The discounts to the then net asset value per Shares ranged from approximately 65.9% to 82.9%, with an average of approximately 74.7%. With respect to the Conversion Price, discount of which to the latest published net asset value per Shares amounted to approximately 75.06% is therefore approximate to the average of and within range of the discounts of the net asset value per Share during the Review Period.

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Historical trading volume

Apart from historical Share price performance, we have reviewed the average daily trading volume of the Shares for each month or period during the Review Period, details of which are set out below:

	Total trading volume	Number of trading days	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of issued Shares
2020				
September	6,817,800	22	309,900	0.44%
October	2,840,050	18	157,781	0.22%
November	976,700	21	46,510	0.07%
December	918,100	22	41,732	0.06%
2021				
January	178,300	20	8,915	0.01%
February	1,137,200	18	63,178	0.09%
March	758,700	23	32,987	0.05%
April	2,219,750	19	116,829	0.17%
May	1,328,750	20	66,438	0.09%
June	247,050	21	11,764	0.02%
July	614,700	21	29,271	0.04%
August	1,715,450	22	77,975	0.11%
September <i>(note)</i>	674,500	16	42,156	0.06%
			Simple average	0.11%

Source: the website of the Stock Exchange

Note: For the period from 1 September 2021 up to the date of the Sale and Purchase Agreement.

As illustrated in the table above, during the Review Period, the percentage of average daily trading volume to total number of issued Shares ranged from approximately 0.01% to 0.44%, with an overall average daily trading volume to total number of issued Shares of approximately 0.11%. The average daily trading volume of the Share is considered to be relatively thin.

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Moreover, according to the Letter from the Board, the Conversion Price represents a discount of approximately 75.06% to net asset value per Share of the Company as at 30 June 2021. The Board further notes that during the Relevant Period, the Shares had been consistently traded at a discount to the audited net asset value per Share as at 31 December 2020, ranging from approximately 71.74% to 78.22%. In this regard, we have discussed with the Management and were given to understand that the Directors considered it would be more appropriate for the Company to determine the Conversion Price with reference to the prevailing market price of the Shares instead of making reference to the net asset value per Share. The Directors are of the view that the Share price performance and valuation of the Shares prior to the entering of the Sale and Purchase Agreement (including the issue of the Convertible Bonds) is considered more relevant in assessing the fairness of the Conversion Price as it reflects the prevailing valuation of the Company perceived by the Shareholders and investors, and serves an appropriate benchmark in its evaluation.

Having considered that (i) the Shares had been consistently traded at a discount to the net asset value per Share during the Review Period, ranged from approximately 65.9% to 82.9%; (ii) the Conversion Price represents a premium over the closing price on, and the average closing price for last five and ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement and within respective range of the Comparable CB Issues; and (iii) the trading volume of the Shares during the Review Period was relatively thin, we concur with the Directors' view that (i) it would be more appropriate for the Company to determine the Conversion Price with reference to the prevailing market prices of the Shares; and (ii) the Conversion Price is fair and reasonable so far as the Independent Shareholders are concerned.

(iii) Adjustments to conversion price

In assessing the fairness and reasonableness of the adjustment terms of the Convertible Bonds as regards the Conversion Price, we have compared such adjustment terms with the relevant adjustment terms of the Comparable CB Issues being disclosed and noted that the conversion prices of majority of the Comparable CB Issues are subject to the similar adjustments terms as for the Convertible Bonds upon occurrence of dilutive events, including consolidation or subdivision; capitalisation of profits or reserves; capital distribution; rights issues of shares; and options, warrants or other rights to subscribe for or purchase shares.

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5.3.3 Other alternative settlement methods considered

We have discussed with the Management and was advised that the Company has considered various possible alternative settlement methods, including debt financing (such as bank borrowings) and equity financing (such as placing, right issue or open offer), to finance the Acquisition.

With respect to bank borrowings, the ability for the Group to obtain bank borrowings usually depends on the Group's profitability and financial position as well as the prevailing market condition, and may be subject to lengthy due diligence and internal risk assessment by and negotiations with banks which usually require pledge of assets by the borrower. Having considered that, (i) the net loss position of the Group of approximately RMB86.7 million and RMB12.2 million for the year ended 31 December 2020 and for the six months ended 30 June 2021, respectively; and (ii) the historical effective interest rates of bank loans of the Group which ranged from approximately 3.65% to 4.85% per annum, we concur with the Directors' view that, the settlement of the Consideration by way of the Convertible Bonds would be a more viable option to the Group which incurs less interest expense and able to avoid the substantial administrative works as compared to that in obtaining bank borrowings. On the other hand, if the Consideration is settled by the Convertible Bonds, the debt component of the Convertible Bonds will be eventually transferred to equity upon conversion, which implies that there will be no increase in the borrowing and therefore no impact to the gearing ratio of the Group.

With respect to equity financing such as placing, right issue or open offer, the Board is of the view and we concur that, these methods are considered to be relatively costly as the Group will have to engage more professional parties which would incur additional professional fees such as underwriting fee and/or placing commissions, etc. Furthermore, in view of the net loss position of the Group and the comparatively thin trading volume of the Shares, it would be difficult for the Company to pursue an equity financing in the equity capital market without providing considerable discount to the prevailing market price of the Share and/or placing/underwriting fees, whereas having more dilution impact to the Shareholders as compared to that of the Convertible Bonds which has no immediate dilution effect upon issuance.

Based on all of the above, having considered that (i) the maturity and interest rate are within range of the Comparable CB Issues; (ii) the Conversion Price is within range of the Comparable CB Issues; (iii) the adjustment mechanisms to the Conversion Price are similar to those as disclosed under the Comparable CB Issues; and (iv) the Consideration settlement alternatives being considered by the Directors, hence, we are of the view that the principal terms of the Convertible Bonds are on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned.

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6. Financial effects of the Acquisition and the issue of the Convertible Bonds

Upon Completion, the Target Company will become a direct wholly owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will continue be consolidated into the consolidated financial statements of the Group, whereas the minority interest of the Group with respect to the 25% equity interest of the Target Company held by the Vendor will no longer be recognised.

Moreover, as the Target Group represents the major operating subsidiaries of the Group, having considered the reasons for and benefit of the Acquisition, and the prospects of the Target Group as discussed above, the Directors are of the view that the Acquisition and the issue of the Convertible Bonds will not have any material adverse impacts on the earnings, assets and liabilities of the Group.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the terms of the Sale and Purchase Agreement (including the issue of the Convertible Bonds and the grant of the Specific Mandate) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and although the Acquisition is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the grant of the Specific Mandate).

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Stanley Ng
Managing Director

Mr. Stanley Ng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 15 years of experience in the accounting and investment banking industries.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were 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 were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix 10 of the Listing Rules as follows:

Name of Directors	Capacity	Number of issued ordinary Shares held/ interested in	Number of underlying Shares held/ interested in (Note 4)	Percentage of the issued share capital of the Company (approximate) (Note 1)
Mr. Chan	Interest of controlled corporation	16,504,141 (Note 2)	–	19.59%
	Beneficial owner	3,741,650	–	4.44%
	Beneficial owner	–	106,200	0.13%
Ms. Wang	Interest of controlled corporation	15,505,941 (Note 3)	–	18.41%
	Beneficial owner	–	430,200	0.51%
Mr. Liu Chun Fai	Beneficial owner	–	702,000	0.83%
Mr. Wong Tsu Wai, Derek	Beneficial owner	–	702,000	0.83%

Notes:

1. The approximate percentage is calculated based on the total number of issued Shares as at the Latest Practicable Date (i.e. 84,240,000 Shares).
2. Mr. Chan was deemed to be interested in 16,504,141 Shares, comprising of (i) 15,505,941 Shares held by Smoothly Global Holdings Limited by virtue of it being owned as to 70% by Mr. Chan and (ii) 998,200 Shares held by Woodstock Management Limited by virtue of it being owned as to 100% by Mr. Chan.
3. Ms. Wang was deemed to be interested in 15,505,941 Shares held by Smoothly Global Holdings Limited by virtue of it being owned as to 20% by Ms. Wang.
4. These Shares are the share options granted under the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were 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 were taken or deemed to have under such provision of the SFO), or had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest and short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders' interests and short positions in Shares and underlying Shares

So far as is known to any Directors or chief executives of the Company, as at the Latest Practicable Date, the persons or corporations (other than the Directors or chief executives of the Company) who had interest or short positions in the Shares and underlying Shares which were required 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 were as follows:

Name of substantial Shareholders	Capacity	Number of issued ordinary Shares held/ interested in	Number of underlying Shares held/ interested in (Note 4)	Percentage of the issued share capital of the Company (approximate) (Note 1)
The Vendor	Beneficial owner	15,505,941 (Note 2)	–	18.41%
Woodstock Management Limited	Beneficial owner	998,200 (Note 3)	–	1.18%
Ms. Tin Yat Yu, Carol	Beneficial owner	9,351,400	70,200	11.18%

Notes:

1. The approximate percentage is calculated based on the total number of issued Shares as at the Latest Practicable Date (i.e. 84,240,000 Shares).
2. These 15,505,941 Shares are held by the Vendor, and the Vendor is 70%, 20% and 10% owned by Mr. Chan, Ms. Wang and Mr. Wang respectively.
3. These 998,200 Shares are held by Woodstock Management Limited, a company incorporated in the BVI with limited liability and is 100% owned by Mr. Chan.
4. These Shares are the share options granted under the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person or corporation (other than the Directors or chief executives of the Company) having an interest or short position in the Shares and underlying Shares which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which to be recorded in the register required to be kept by the Company under section 336 of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business.

4. DIRECTORS' SERVICE CONTRACTS

Each of executive Directors has entered into a service contract with the Company for a term of three years. Each of Mr. Chan and Ms. Wang's current service contract commenced on 23 December 2018, Mr. Lu Chengye's current service contract commenced on 29 May 2019, and Mr. Liu Chun Fai's current service contract commenced on 1 August 2020.

Mr. Wong Tsu Wai, Derek's (non-executive Director) has entered into a service contract with the Company for a term of three years, and his current service contract commenced on 1 August 2019.

Each of Mr. David Tsoi, Mr. Lu, Brian Yong Chen and Mr. Yuen Shiu Wai (all are independent non-executive Directors) has entered into a service contract with the Company for a term of three years. The service contract of Mr. David Tsoi, was commenced on 14 May 2021. Mr. Lu, Brian Yong Chen's current service contract was renewed on 25 June 2021. The service contract of Mr. Yuen Shiu Wai was commenced on 7 April 2021.

All service contracts with the Directors are subject to termination, among others, by giving not less than three month's written notice.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date:

- (a) save for the Acquisition, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up; and
- (b) none of the Directors 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.

6. EXPERT'S QUALIFICATION AND CONSENT

The qualification of the expert who has given opinions or advice in this circular is as follows:

Name	Qualification
Lego Corporate Finance Limited	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO

Lego Corporate Finance Limited has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which it respectively appears.

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position or outlook of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up and up to the Latest Practicable Date.

8. MISCELLANEOUS

- (a) The registered office of the Company in Bermuda is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is situated at Room 1201, 12/F., C C Wu Building, 302-308 Hennessy Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The company secretary of the Company is Mr. Fung Siu Kei ("**Mr. Fung**"). Mr. Fung is a practicing member of Hong Kong Institute of Certified Public Accountants.
- (e) The translation into Chinese language of this circular is for reference only. In the event of any inconsistency, the English text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at Room 1201, 12/F., C C Wu Building, 302-308 Hennessy Road, Wanchai, Hong Kong on any business day from the date of this circular until up to and including the date of the SGM:

- (a) the Sale and Purchase Agreement;
- (b) service contracts of certain Directors as disclosed in this circular;
- (c) the letter from the Board, the full text of which is set out in the section headed "Letter from the Board" of this circular;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the full text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;
- (e) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the full text of which is set out in the section headed "Letter from the Independent Financial Adviser" of this circular;
- (f) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this appendix; and
- (g) this circular.

NOTICE OF THE SGM



InvesTech Holdings Limited 威訊控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1087)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of InvesTech Holdings Limited (the “**Company**”) will be held at the 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Friday, 19 November 2021 at 11:00 a.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the sale and purchase agreement dated 23 September 2021 (the “**Sale and Purchase Agreement**”) entered into between the Company and Smoothly Global Holdings Limited (the “**Vendor**”) (a copy of which has been produced to the SGM marked “A” and initialed by the chairman of the SGM for identification purpose), pursuant to which the Vendor was desirous of selling and transferring to the Company, and the Company was desirous of acquiring from the Vendor 25% equity interest in Fortune Grace Management Limited at the consideration of HK\$30,000,000 to be satisfied in full by the issue of convertible bonds (the “**Convertible Bonds**”), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the grant of the specific mandate to the directors of the Company (the “**Directors**”) to allot and issue such number of shares of the Company as may be required to be issued and allotted upon exercise of the conversion rights attached to the Convertible Bonds to the Vendor pursuant to the Sale and Purchase Agreement be and is hereby approved, confirmed and ratified. The specific mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF THE SGM

- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of giving effect to the Sale and Purchase Agreement, the transactions contemplated thereunder and the issue of the Convertible Bonds to the Vendor.”

By Order of the Board
InvesTech Holdings Limited
Chan Sek Keung, Ringo
Chairman and Chief Executive Officer

Hong Kong, 2 November 2021

Executive Directors:

Mr. Chan Sek Keung, Ringo (*Chairman and Chief Executive Officer*)
Ms. Wang Fang (*Vice Chief Executive Officer*)
Mr. Lu Chengye
Mr. Liu Chun Fai

Non-executive Director:

Mr. Wong Tsu Wai, Derek

Independent Non-executive Directors:

Mr. David Tsoi
Mr. Lu, Brian Yong Chen
Mr. Yuen Shiu Wai

Registered office:

Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

Principal place of business in Hong Kong:

Room 1201, 12/F
C C Wu Building
302-308 Hennessy Road
Wanchai
Hong Kong

NOTICE OF THE SGM

Notes:

1. Considering the outbreak of coronavirus disease 2019 (“COVID-19”) pandemic, certain measures will be implemented at the SGM with a view to addressing the risk to attendees of infection, including, without limitation (i) all attendees will be required to wear a surgical face mask throughout the SGM within the SGM venue (no mask will be provided at the SGM venue); (ii) all attendees will be required to undergo mandatory body temperature screening; (iii) all attendees will be required to complete and submit health declaration form; (iv) seating will be arranged to ensure approximate social distancing; (v) no corporate gifts and/or refreshments will be distributed; and (vi) hand sanitizer will be available at the entrance of the SGM venue. The Company reminds attendees that they should carefully consider the risks of attending the SGM, taking into account their own personal circumstances. For details, all attendees of the SGM should read the section headed “Precautionary Measures for the Special General Meeting” on pages i and ii of the circular of the Company for the SGM dated 2 November 2021.
2. Any member of the Company entitled to attend and vote at the SGM is entitled to appoint one or, if he/she/it is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his/her/its stead. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
4. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy thereof, must be deposited at the offices of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the meeting or any adjournment thereof (as the case may be).
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting to be convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holders may vote either in person or by proxy in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. The transfer books and register of members of the Company will be closed from Tuesday, 16 November 2021 to Friday, 19 November 2021 (both dates inclusive), during which period no transfer of shares will be effected. The holders of shares whose name appears on the register of members of the Company on Friday, 19 November 2021 will be entitled to attend and vote at the SGM. In order to qualify for the right to attend and vote at the SGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 November 2021.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
9. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution set out in this notice will be decided by poll at the above meeting.