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中國智能科技有限公司
CHINA IN-TECH LIMITED

(incorporated in Cayman Islands with limited liability)

(Stock Code: 00464)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 4 November 2024 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 60,000,000 Subscription Shares at the Subscription Price of HK\$0.100 per Subscription Share.

The Subscriber is independent of the Company and its connected persons. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

The 60,000,000 Subscription Shares represent (i) approximately 11.25% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 10.12% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscription). The aggregate nominal value of the Subscription Shares will be HK\$60,000.

Subject to the completion of the Subscription, the gross proceeds from the Subscription will be HK\$6 million and the net proceeds from the Subscription (after deduction of other expenses of the Subscription) will be approximately HK\$6.0 million. It is expected that such net proceeds from the Subscription will be utilised for general working capital.

Since completion of the Subscription is subject to fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

On 4 November 2024 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 60,000,000 Subscription Shares at the Subscription Price of HK\$0.100 per Subscription Share.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date: 4 November 2024

Parties to the Subscription Agreement:

- (1) the Company, as the issuer; and
- (2) the Subscriber.

The Subscriber, who is an individual investor with extensive experience in equity investment principally engaged in, among others, apparel e-commerce business in the PRC. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber is independent of the Company and its connected persons.

The Subscription Shares

Subject to the fulfillment of the conditions to completion of the Subscription set out below, the Subscriber shall subscribe for 60,000,000 Subscription Shares.

The 60,000,000 Subscription Shares represent (i) approximately 11.25% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.12% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscription). The aggregate nominal value of the Subscription Shares will be HK\$60,000.

Ranking

The Subscription Shares will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.100 per Subscription Share:

- (i) represents a discount of approximately 18.03% to the closing price of HK\$0.122 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) represents a discount of approximately 18.03% to the average closing price of approximately HK\$0.122 per Share as quoted on the Stock Exchange for the five consecutive Trading Days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to, among others, the prevailing market prices of the Shares and the capital requirement for the future development of the Group.

The Directors consider that the terms of the Subscription Agreement (including the Subscription Price and the other expenses of the Subscription) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Subject to the completion of the Subscription, the gross proceeds from the Subscription will be HK\$6 million and the net proceeds from the Subscription (after deduction of the other expenses of the Subscription) will be approximately HK\$6.0 million. On such basis, the net issue price will be approximately HK\$0.100 per Subscription Share.

Conditions to Completion of the Subscription

Completion of the Subscription is conditional upon the satisfaction of the following conditions on or before 22 November 2024 (the "**Long Stop Date**") (or such other date as may be agreed to by the Company and the Subscriber):

- (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of and permission to deal in the Subscription Shares; and
- (b) the Company having obtained all necessary approvals from all relevant regulatory authorities.

Completion of the Subscription shall take place on or before the fifth business day after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the Subscriber in writing (the "**Completion Date**").

If the above conditions are not fulfilled by the Long Stop Date (or such other date as may be agreed to by the Company and the Subscriber), all rights, obligations and liabilities of the Parties under the Subscription Agreement in relation to the Subscription shall cease and terminate and none of the Parties shall have any claim against any other Party in respect of the Subscription save for any antecedent breaches of the Subscription Agreement.

Termination

The Subscriber is entitled to terminate the Subscription Agreement by notice in writing to the Company upon the occurrence of any of the force majeure events set out in the Subscription Agreement at any time between the date of the Subscription Agreement and the Completion Date.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Since completion of the Subscription is subject to the fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to issue up to 106,630,800 Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. Therefore, the remaining balance of the General Mandate as at date of this announcement is 106,630,800 Shares and is sufficient for the allotment and issue of the Subscription Shares.

Accordingly, the allotment and issue of the Subscription Shares are not subject to any Shareholders' approval.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the business of design, manufacture and sales of electrical haircare products and provision of information technology system platform development services in the PRC.

The gross proceeds of the Subscription will be HK\$6 million. The net proceeds of the Subscription (after deduction of other expenses of the Subscription) will be approximately HK\$6.0 million. The Company plans to apply the net proceeds for general working capital. The net proceeds is expected to be fully utilised within 12 months from the Completion Date.

The Directors consider that the Subscription represents a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group and meet any future development and financial obligations at a reasonable cost. The Directors are of the view that, apart from debt financing, the Subscription helps to broaden the Company's funding channels.

The Directors (including independent non-executive Directors) consider that the Subscription Agreement and the Subscription contemplated thereunder are on normal commercial terms determined after arm's length negotiations among the Parties, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 533,154,000 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon completion of the Subscription (assuming that the Subscription are fully completed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Subscription Shares under the Subscription Agreement) are as follows:

	<i>As at the date of this announcement</i>		<i>Upon completion of the Subscription</i>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
China Yuen Capital Limited (Note 1)	252,132,500	47.29	252,132,500	42.51
Special Opportunity Private Equity Investment Fund No. 2* (特殊機遇私募投資基金 2 號)	50,575,000	9.49	50,575,000	8.52
Feng Xinhe	46,672,000	8.75	46,672,000	7.87
Special Opportunity Private Equity Investment Fund No. 3* (特殊機遇私募投資基金 3 號)	44,500,000	8.35	44,500,000	7.50
Subscriber	-	-	60,000,000	10.12
Other public Shareholders	139,274,500	26.12	139,274,500	23.48
Total	<u>533,154,000</u>	<u>100.00</u>	<u>593,154,000</u>	<u>100.00</u>

Note:

- (1) China Yuen Capital Limited is owned as to 100% by China Investment International Limited, which is owned as to 100% by Asia Glory Management Group Limited, which in turn is owned as to 100% by Luckever Holdings Limited. Luckever Holdings Limited is owned as to 60.87% by Mr. Liu Xuezhong and 39.13% by Ms. Li Yuelan (the spouse of Mr. Liu Xuezhong). By virtue of the SFO, each of China Investment International Limited, Asia Glory Management Group Limited, Luckever Holdings Limited, Mr. Liu Xuezhong and Ms. Li Yuelan was taken to be interested in the 252,132,500 Shares held by China Yuen Capital Limited.

Since completion of the Subscription is subject to the fulfilment of the conditions as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

- “AGM” the annual general meeting of the Company held on 3 September 2024 at which, among other things, the General Mandate was granted to the Directors;
- “Board” the board of Directors;
- “Business Day” a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black

rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;

“Company”	China In-Tech Limited (中國智能科技有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0464);
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“General Mandate”	the general mandate granted to the Directors by a resolution passed at the AGM to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued Shares of the Company as at 3 September 2024;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practical Date”	4 November 2024
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as may be amended or supplemented from time to time;
“Party” as “Parties”	the Company and the Subscriber, as parties to the Subscription Agreements;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of nominal price of HK\$0.001 each in the share capital of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Ms. Chen Huiru (陳慧茹女士);
“Subscription”	the Subscription of 60,000,000 Subscription Shares at the Subscription Price pursuant to terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the Subscription Agreement dated 4 November 2024 entered into between the Company and the Subscriber in relation to the

Subscription;

“Subscription Price”	HK\$0.100 per Subscription Share;
“Subscription Shares”	60,000,000 new Shares to be subscribed pursuant to the Subscription Agreement, and each, a “Subscription Share”;
“Trading Days”	means days on which the Stock Exchange is open for trading; and
“%”	per cent.

By Order of the Board
China In-Tech Limited
Zhang Huijun
Chairman

Hong Kong, 4 November 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhang Huijun, Ms. Cai Dongyan and Mr. Zhou Li Yang, and three independent non-executive Directors, namely Mr. Hu Zhigang, Mr. Zhang Jiayou and Mr. Ma Yu-heng.

Website: www.chinaintech464.com

**For identification purpose only*