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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in CircuTech International Holdings Limited, you should at once hand this Prospectus and the accompanying Provisional Allotment Letter and Excess Application Form, to the purchaser or transferee or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed "Expert and Consent" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. You should read the whole of this Prospectus including the discussions of certain risks and other factors as set out in the section headed "Warning of the risks of dealing in the Shares and the nil-paid Rights Shares" in the "Letter from the Board" of this Prospectus.

Distribution of the Prospectus Documents in jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents comes should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability.

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## CircuTech International Holdings Limited

訊智海國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8051)**

### RIGHTS ISSUE OF 6,695,366 RIGHTS SHARES AT HK\$15.0 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) SHARES IN ISSUE HELD ON THE RECORD DATE

Financial adviser to CircuTech International Holdings Limited

**BALLAS**  
C A P I T A L

Underwriter to the Rights Issue



雅利多證券  
ARISTO SECURITIES LIMITED

**Aristo Securities Limited**

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Capitalised terms used in this cover will have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

The latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares (if any) is 4:00 p.m. on Thursday, 12 October 2017. The procedures for acceptance and payment for or transfer of the Rights Share are set out on pages 17 to 21 of this Prospectus and the Provisional Allotment Letter.

Dealings in the Rights Shares in the nil-paid form will take place from 9:00 a.m. on Thursday, 28 September 2017 to 4:00 p.m. on Monday, 9 October 2017 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any dealing in the nil-paid Rights Shares during the period from 9:00 a.m. on Thursday, 28 September 2017 to 4:00 p.m. on Monday, 9 October 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, served prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events, as more particularly described in the section headed "Termination of the Underwriting Agreement" on pages 8 to 9 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and the Rights Shares in their nil-paid and fully-paid forms, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

26 September 2017

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## CONTENTS

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	<i>Page</i>
<b>Characteristics of GEM</b> .....	i
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	6
<b>Termination of the Underwriting Agreement</b> .....	8
<b>Letter from the Board</b> .....	10
<b>Appendix I – Financial Information of the Group</b> .....	32
<b>Appendix II – Unaudited Pro Forma Financial Information of the Group</b> .....	36
<b>Appendix III – General Information</b> .....	41

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 4 September 2017 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of directors of the Company
“business day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate”	has the meaning ascribed to it in the GEM Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	CircuTech International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (stock code: 8051)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules

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## DEFINITIONS

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“Controlling Shareholder Undertaking”	the irrevocable and unconditional undertaking given by Foxconn in favour of the Company and the Underwriter in relation to, among others, the acceptance of the Undertaken Shares by Foxconn
“Director(s)”	the director(s) of the Company
“Excess Application Form(s)” or “EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Foxconn”	Foxconn (Far East) Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Hon Hai, and the controlling shareholder of the Company holding approximately 50.07% of the issued Shares as at the Latest Practicable Date
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hon Hai”	Hon Hai Precision Industry Co., Ltd., a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code: 2317.TW) and the holding company of Foxconn
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or compan(ies) who/which is/are not connected with the Company and its connected persons
“Latest Practicable Date”	19 September 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“Last Trading Day”	4 September 2017, being the date of the Announcement

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## DEFINITIONS

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“Latest Time for Acceptance”	4:00 p.m. on Thursday, 12 October 2017 or such later time as may be agreed between the Company and the Underwriter, being the latest time for the application and payment for the Rights Shares and the application and payment for the excess Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same business day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on the first business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s), to whom the Directors, based on legal opinions provided by legal advisers and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Rights Shares
“Overseas Shareholders”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) on that date is/are outside Hong Kong
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“PRC”	the People’s Republic of China which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this Rights Issue prospectus (excluding the PAL and the EAF)
“Prospectus Documents”	together, this Prospectus, the PAL and the EAF

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## DEFINITIONS

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“Prospectus Posting Date”	Tuesday, 26 September 2017, being the date of despatch of the Prospectus Documents by the Company to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Monday, 25 September 2017, being the date by reference to which entitlements under the Rights Issue were determined
“Registrar”	Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, being the branch share registrar and transfer office of the Company in Hong Kong
“Rights Issue”	the issue of the Rights Shares by the Company on the basis of two (2) Rights Shares for every five (5) Shares in issue held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“Rights Shares”	6,695,366 Shares to be allotted and issued to the Qualifying Shareholders pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$15.0 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## DEFINITIONS

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“Undertaken Shares”	the aggregate of 3,352,640 Rights Shares provisionally allotted to Foxconn under the Rights Issue which Foxconn has undertaken to subscribe pursuant to the Controlling Shareholder Undertaking
“Underwriter”	Aristo Securities Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 4 September 2017 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	the Rights Shares other than the Undertaken Shares (being 3,342,726 Rights Shares)
“%”	percentage or per centum



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## EXPECTED TIMETABLE

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*The expected timetable for the Rights Issue set out below is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. Shareholders should note that the times and dates specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue may be extended or varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate. All dates and times specified in this Prospectus refer to Hong Kong local dates and times.*

<b>Event</b>	<b>2017</b>
First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 28 September
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m. on Tuesday, 3 October
Last day of dealings in nil-paid Rights Shares . . . . .	4:00 p.m. on Monday, 9 October
Latest time for acceptance of application for excess Rights Shares and payment for the Rights Shares . . . . .	4:00 p.m. on Thursday, 12 October
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Friday, 13 October
Announcement of the allotment results of the Rights Issue . . . . .	Thursday, 19 October
Despatch of share certificates for fully-paid Rights Shares and refund cheques in relation to wholly or partially unsuccessful applications for excess Rights Shares . . . . .	Friday, 20 October
First day of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Monday, 23 October

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## EXPECTED TIMETABLE

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### EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place at 4:00 p.m. on Thursday, 12 October 2017 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the date of the Latest Time for Acceptance, the dates mentioned in the expected timetable above may be affected. An announcement will be made by the Company in such event.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole or would be materially adverse in the context of the Rights Issue; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole; or
  - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
  - (iv) the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise;
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (c) the Prospectus in connection with the Rights Issue when published contains information (either as to the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to apply for its provisional allotment of Rights Shares under the Rights Issue,

the Underwriter shall be entitled by notice in writing, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

**In the event that the Underwriter exercises its rights to terminate or rescind the Underwriting Agreement as described above, the Rights Issue will not proceed.**

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LETTER FROM THE BOARD

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**CircuTech International Holdings Limited**  
**訊智海國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8051)**

*Executive Directors:*

Dr. WOO Kwok Fai Louis

*(Chairman and Chief Executive Officer)*

Mr. HUI Lap Shun

Mr. CHIEN Yi-Pin

Ms. CHEN Ching-Hsuan

Mr. CHENG Michael Ichiang *(Chief Financial Officer)*

*Independent Non-executive Directors:*

Mr. YEUNG Wai Hung Peter

Ms. WU Yi Shuan

Mr. MIAO Benny Hua-ben

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Headquarters and Principal Place  
of Business in Hong Kong:*

36/F, Tower Two,

Times Square,

1 Matheson Street,

Causeway Bay, Hong Kong

26 September 2017

*To the Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF  
6,695,366 RIGHTS SHARES  
ON THE BASIS OF TWO (2) RIGHTS SHARES  
FOR EVERY FIVE (5) SHARES IN ISSUE HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement in which the Board announced that the Company proposed to raise approximately HK\$100.4 million, before expenses, by issuing 6,695,366 Right Shares by way of rights issue at the Subscription Price of HK\$15.0 per Rights Share, on the basis of two (2) Rights Shares for every five (5) existing Shares held on the Record Date.

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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with, among other things, further information of the Rights Issue and certain financial information and other information of the Group.

### RIGHTS ISSUE

#### Issue statistics

Basis of the rights issue	:	Two (2) Rights Shares for every five (5) Shares in issue held on the Record Date
Subscription Price	:	HK\$15.0 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	16,738,417 Shares
Number of Rights Shares	:	6,695,366 Rights Shares
Number of Underwritten Shares	:	The Rights Shares other than the Undertaken Shares (being 3,342,726 Rights Shares) are fully underwritten by the Underwriter
Number of Shares in issue immediately after completion of the Rights Issue	:	23,433,783 Shares
Amount to be raised by the Rights Issue before expenses	:	Approximately HK\$100.4 million
Right of excess application	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company did not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

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## LETTER FROM THE BOARD

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The 6,695,366 Rights Shares to be issued and allotted pursuant to the Rights Issue represent (i) 40% of the existing issued share capital of the Company; and (ii) approximately 28.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

### Subscription Price

The Subscription Price is HK\$15.0 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue and, where applicable, application for excess Rights Shares under the Rights Issue, or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 9.6% to the closing price of HK\$16.6 per Share as quoted on the Stock Exchange on the Last Trading day;
- (b) a discount of approximately 6.3% to the average closing price of approximately HK\$16.0 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading day;
- (c) a discount of approximately 3.2% to the average closing price of approximately HK\$15.5 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day;
- (d) a discount of approximately 6.8% to the theoretical ex-rights price of approximately HK\$16.1 per Share based on the closing price of HK\$16.6 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a discount of approximately 21.1% to the closing price of approximately HK\$19.0 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a premium of approximately 341.3% over the unaudited consolidated net asset value of the Group per share of approximately HK\$3.4 as at 30 June 2017 (based on the unaudited consolidated net assets of the Group of approximately HK\$56.9 million and 16,738,417 Shares in issue as at the Latest Practicable Date).

Based on the Subscription Price of HK\$15.0, the gross proceeds will be approximately HK\$100.4 million. The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$98.7 million. The estimated net issue price per Rights Share after deducting the related expenses of the Rights Issue will be approximately HK\$14.7.

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## LETTER FROM THE BOARD

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The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the market price and trading liquidities of the Shares under the prevailing market conditions prior to the Last Trading Day.

As all the Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price to the current market price of the Shares would encourage the Qualifying Shareholders to participate in the Rights Issue so as to maintain their pro rata shareholdings in the Company and participate in the future growth of the Group. Taking into account the reasons for the Rights Issue and the use of proceeds as detailed in the section headed "Reasons for the Rights Issue and Use of Proceeds" in this Prospectus, the Directors consider that the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfillment of the following conditions:

- (a) the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date and the Stock Exchange not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;
- (b) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance by no later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to Qualifying Shareholders by the Prospectus Posting Date;
- (d) the delivery of the duly executed Controlling Shareholder Undertaking to the Company and the Underwriter on or before the date of the Underwriting Agreement;
- (e) the compliance with and, where applicable, performance of all undertakings and obligations by Foxconn of the Controlling Shareholder Undertaking on or before the Latest Time for Acceptance; and
- (f) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms of the Underwriting Agreement on or before the Latest Time for Termination.

The Company shall use all reasonable endeavours to procure the fulfillment of all the above conditions (other than conditions (d) and (e)) by the respective dates set out above.



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## LETTER FROM THE BOARD

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None of the parties to the Underwriting Agreement may waive any of the above conditions. If the above conditions are not satisfied in whole or in part by the respective dates set out above, (or such other time and/or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate and (save and except for the provisions relating to, among other matters, fees and expenses, announcement and confidentiality, indemnity, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party shall have any claim against any other party for costs, damages, compensation or otherwise, and the Rights Issue will not proceed.

As at the Latest Practicable Date, save for condition (d), none of the conditions above have been fulfilled.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every five (5) Shares in issue held by the Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Status of the Rights Shares**

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

### **Closure of register of members**

The register of members of the Company had been closed from Tuesday, 19 September 2017 to Monday, 25 September 2017, both dates inclusive. No transfer of Shares had been registered during this book closure period.

### **Qualifying shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. The Company will send the Prospectus Documents to the Qualifying Shareholders only.

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## LETTER FROM THE BOARD

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### **Rights of Overseas Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders whose names appear on the register of members of the Company on the Record Date may not be eligible to take part in the Rights Issue. Based on the register of members of the Company as at the Record Date, there were two Overseas Shareholders situated in the PRC.

The Company has complied with all necessary requirements specified in Rule 17.41(1) of the GEM Listing Rules (including notes 1 and 2 thereto) and has made enquiry with its legal advisers regarding the feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of the relevant place and the requirements of the relevant regulatory body or the stock exchange.

Based on the advice and replies provided by the relevant foreign legal adviser, the Directors are of the view that it is expedient to extend the Rights Issue to the Overseas Shareholders in the PRC as there are no legal restrictions prohibiting the making of Rights Issue in such jurisdiction and no local legal or regulatory compliance is required to be made in such jurisdiction. Accordingly there are no Non-Qualifying Shareholders.

It is the responsibility of the Shareholders, including the Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Rights Shares in their nil-paid or fully-paid forms and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares in their nil-paid or fully-paid forms.

### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for (i) any Rights Shares provisionally allotted but not taken up by the Qualifying Shareholders; and (ii) any unsold Rights Shares arising out of the aggregation of fractional entitlements. Application for excess Rights Shares can be made by completing the EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by no later than the Latest Time for Acceptance.

The Board will allocate the excess Rights Shares to the Qualifying Shareholders who have applied for excess application on a pro rata basis on the excess Rights Shares applied by them, without involving allocation of any fractional Rights Share. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

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## LETTER FROM THE BOARD

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- (i) no preference will be given to applications made for topping odd lot holdings to whole board lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for the excess application on a pro rata basis on the excess Rights Shares applied for by them.

Any Rights Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

### **Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. Any unsold aggregated fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s).

### **Share certificates for the Rights Shares and refund cheques for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” above, share certificates for all fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Share (if any) are expected to be posted on or before Friday, 20 October 2017 by ordinary post to those entitled thereto at their own risk. If the Underwriting Agreement is terminated, refund cheques will be despatched by ordinary post to the applications at their own risk on or before Friday, 20 October 2017.

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## LETTER FROM THE BOARD

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Friday, 15 September 2017 and that dealings in the Rights Shares in the nil-paid form will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (which is expected to be no later than 4:00 p.m. on Friday, 13 October 2017) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholder or other person contemplating selling or purchasing any Shares and/or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

#### Procedures for acceptance and payment or transfer

##### *PAL – Acceptance, payment and transfer*

Qualifying Shareholders will find the PAL enclosed with this Prospectus which entitles them to apply for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all Rights Shares provisionally allotted to them as specified in the PAL, they must complete, sign and lodge the same in accordance with the instructions printed thereon, together with the remittance for full amount payable on application with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Thursday, 12 October 2017 (or, under bad weather conditions, such later date as mentioned in the paragraph “Effects of Bad Weather on the Latest Time for Acceptance” in the section headed “Expected Timetable” in this Prospectus) All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “CircuTech International Holdings Limited – Provisional Allotment” and crossed “Account Payee Only”.

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## LETTER FROM THE BOARD

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar, by not later than the Latest Time for Acceptance, whether by the original allottee or any person to whom the nil-paid Rights Shares have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by other Qualifying Shareholders. The Company may (at its sole and absolute discretion) treat PAL(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment of Rights Shares, or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PALs, or to transfer all or part of their rights to more than one person, the original PALs must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 3 October 2017 with the Registrar, who will cancel the original PALs and issue new PALs in the denominations required. The new PALs will be available for collection at the Registrar, after 9:00 a.m. on the second business day after the surrender of the original PALs. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interests earned on such application monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL, will constitute a warranty and representation to the Company that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights and entitlements of the thereunder will be deemed to have been declined and will be cancelled.

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

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## LETTER FROM THE BOARD

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If the Underwriter exercises the right to terminate its obligation under the Underwriting Agreement prior to the Latest Time for Termination and/or if any of the conditions of the Rights Issue are not fulfilled by the respective dates specified in the paragraph headed “Conditions of the Rights Issue” in this Prospectus, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint applicants, to the first-named person without interest, by means of cheques to be despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Friday, 20 October 2017.

### ***EAF – Application for excess Rights Shares***

**If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar, by not later than 4:00 p.m. on Thursday, 12 October 2017 (or, under bad weather conditions, such later time or date as mentioned in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “CircuTech International Holdings Limited – Excess Application” and crossed “Account Payee Only”. No receipt will be issued in respect of any EAF or any application monies received. It should also be noted that the lodging of the EAF does not assure the Qualifying Shareholder of being allocated with any Rights Shares in excess of those of his/her/its provisional allotments.**

All cheques or banker’s cashier orders will be presented for payment immediately upon receipt and all interest earned on such application monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or banker’s cashier order in payment of the excess Rights Shares applied will constitute a warranty by the applicant that the cheque or banker’s cashier order will be honoured on first presentation. Without prejudice to other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker’s cashier order is dishonoured on first presentation. The Qualifying Shareholder shall pay the exact amount payable upon application for the excess Rights Shares, and underpaid applications will be rejected. In the event of overpaid applications, a refund cheque will be made out to the Qualifying Shareholder only if the overpaid amount is HK\$100 or above.

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## LETTER FROM THE BOARD

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Where the number of excess Rights Shares applied for under the EAF is greater than the total number of Underwritten Shares, being 3,342,726 Rights Shares, such application (other than from a nominee company) would be treated as invalid and be rejected. For the avoidance of doubt, this restriction will not be applied to all nominee companies including HKSCC Nominees Limited.

The Company will notify the Qualifying Shareholders of the allotment results of the excess application for Rights Shares by way of announcement. An announcement of results of acceptance of and excess applications for the Rights Shares will be published on Thursday, 19 October 2017. One share certificate will be issued for all Rights Shares in fully-paid form accepted by each applicant, except HKSCC Nominees Limited.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder or in case of joint applicants to the first-named applicant in full by ordinary post by the Registrar at his/her/its own risk on or before Friday, 20 October 2017.

If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than being applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder or in case of joint applicants to the first-named applicant by ordinary post by the Registrar at his/her/its own risk on or before Friday, 20 October 2017.

Any application for the excess Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any jurisdiction.

The EAF is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including refund cheques (if any), will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses by the Registrar.

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## LETTER FROM THE BOARD

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No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself/themselves before subscribing for the allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination and/or if any of the conditions to which the Rights Issue is subject is not fulfilled in accordance with the paragraph headed “Conditions of the Rights Issue” in this Prospectus, the remittance received in respect of the relevant application for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post at the risk of such applicants to their registered address by the Registrar on or before Friday, 20 October 2017.

Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your own professional advisers. No application for the Rights Shares will be accepted from any Non-Qualifying Shareholder. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any jurisdiction. No receipt will be issued in respect of any application monies received.

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

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange. Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 200.

Save for the listing of the Shares on the Stock Exchange, no part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.



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## LETTER FROM THE BOARD

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Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS.

Dealings in the Rights Shares in both their nil-paid and fully paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy, and any other applicable fees and charges in Hong Kong.

### **UNDERWRITING ARRANGEMENT AND IRREVOCABLE UNDERTAKING**

#### **The Underwriting Agreement**

The principal terms of the Underwriting Agreement are as follows:

Date:	:	4 September 2017 (after trading hours)
Issuer:	:	The Company
Underwriter	:	Aristo Securities Limited
Number of Underwritten Shares	:	The Rights Shares other than the Undertaken Shares (being 3,342,726 Rights Shares) are fully underwritten by the Underwriter.
Underwriting Commission	:	2% of the aggregate Subscription Price in respect of the actual number of the Underwritten Shares

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter and its ultimate beneficial owners were Independent Third Parties and the Underwriter was not interested in any Shares.

The terms of the Underwriting Agreement were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders are concerned.

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

The Underwriter has undertaken to Company that, among other things, other than the transactions contemplated under the Underwriting Agreement and as disclosed in the Announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (a) the sub-underwriting of the Rights Shares; and/or (b) the subscription of the Underwritten Shares not taken up (the "**Untaken Shares**"), so long as such transactions are in compliance with applicable laws and regulations.

The Company has undertaken to the Underwriter that, among other things, save with the prior consent of the Underwriter, it shall not issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the Rights Shares) from the date of the Underwriting Agreement until completion of the Rights Issue.

### **Conditions of the Underwriting Agreement**

The conditions of the Underwriting Agreement are set out in the section headed "Rights Issue – Conditions of the Rights Issue" above.

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## LETTER FROM THE BOARD

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### **Termination of the Underwriting Agreement**

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of certain events. For details, please refer to the section headed “Termination of the Underwriting Agreement” above.

### **Irrevocable and unconditional undertaking**

As of the Latest Practicable Date, Foxconn, a wholly-owned subsidiary of Hon Hai, owned 8,381,602 Shares, representing approximately 50.07% of the issued share capital of the Company and was the controlling shareholder of the Company. As one of the conditions precedents to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, Foxconn has irrevocably and unconditionally undertaken to the Company and the Underwriter that it:

- (a) will remain as the beneficial owner of the 8,381,602 Shares at the close of business on the Record Date;
- (b) will not change its registered address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and
- (c) will apply for and pay for the Undertaken Shares which will be provisionally allotted to Foxconn pursuant to the Rights Issue, by lodging the duly completed and signed PAL in respect of all such Rights Shares with payment in full therefor with the Registrar before the Latest Time for Acceptance in accordance with the instructions printed on the Prospectus Documents.

The Controlling Shareholder Undertaking had been delivered to the Company and the Underwriter on the date of the Underwriting Agreement.

Save for Foxconn, as at the Latest Practicable Date, the Board had not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company from the Latest Practicable Date to immediately after the completion of the Rights Issue (assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately after completion of the Rights Issue):

	Immediately after completion of the Rights Issue					
	As at the Latest Practicable Date		Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders (other than the subscription of the Undertaken Shares by Foxconn)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Foxconn (Note 1)	8,381,602	50.07	11,734,242	50.07	11,734,242	50.07
Underwriter or subscribers procured by it (Note 2)	–	–	–	–	3,342,726	14.27
Public Shareholders	<u>8,356,815</u>	<u>49.93</u>	<u>11,699,541</u>	<u>49.93</u>	<u>8,356,815</u>	<u>35.66</u>
	<u><b>16,738,417</b></u>	<u><b>100.00</b></u>	<u><b>23,433,783</b></u>	<u><b>100.00</b></u>	<u><b>23,433,783</b></u>	<u><b>100.00</b></u>

*Notes:*

- (1) Such 8,381,602 Shares were held by Foxconn, a wholly-owned subsidiary of Hon Hai, whose shares are listed on the Taiwan Stock Exchange (stock code: 2317.TW). Accordingly, Hon Hai is deemed to be interested in the 8,381,602 Shares held by Foxconn under Part XV of the SFO.
- (2) Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares:
  - (a) no Untaken Shares shall be subscribed for in any jurisdiction except pursuant to an exemption from, or by a transaction not subject to, the registration requirements of the applicable securities laws of that jurisdiction;
  - (b) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to be 9.9% or more of the then issued share capital of the Company;
  - (c) the Underwriter shall ensure that none of the subscribers of the Untaken Shares (including the Underwriter) will become a substantial shareholder of the Company as a result of such subscription;
  - (d) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriter), shall be third party independent of, not acting in concert with and not connected with any connected person of the Company and their respective associates and close associates;

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## LETTER FROM THE BOARD

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- (e) the subscriber(s) that it or its sub-underwriter(s) procures shall not be a “US person” under the United States Securities Act of 1933;
  - (f) the Underwriter shall procure the sub-underwriter(s) to procure independent subscribers to take such number of Underwritten Shares as necessary to ensure sufficient public float be maintained upon the allotment and issue of the Rights Shares in compliance with Rule 11.23 of the GEM Listing Rules; and
  - (g) in the event that there is insufficient public float of the Company within the meaning of the GEM Listing Rules immediately upon the allotment and issue of the Rights Shares solely because of the Underwriter’s performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 11.23 of the GEM Listing Rules.
- (3) Certain percentage figures included in the above table have been subject to rounding adjustments. Any figures shown may not be an arithmetic aggregate of the figures preceding them.

### **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in the sales and distribution of IT products mainly in Asia (including Hong Kong, Singapore, the Middle East and other Asian countries), Europe and Africa. The Group is also engaged in the provision of repair, maintenance and other service support of electronic products.

#### **Reasons for the Rights Issue**

The Board is of the view that the Rights Issue will enable the Group to strengthen its capital base and improve its financial position. Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares in order to encourage the Shareholders to participate in the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Board considers it is prudent to finance the Group's growth by equity financing, which will not increase the Group's finance costs and financial burden. The Board has considered other fund raising alternatives, including but not limited to debt financing, placing and open offer. Debt financing will result in interest burden and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. Placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance for the existing Shareholders to participate and the funds to be raised by placing of new Shares under a general mandate would likely be less than that of the Rights Issue. Having considered the above, the Directors are of the view that the Rights Issue, which has nil-paid rights as compared to open offer, is a suitable method for fund raising by the Company under current circumstances.

In view of the above and taking into account the intended use of proceeds as set out below, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

### **Use of proceeds**

The gross proceeds of the Rights Issue will be approximately HK\$100.4 million. The net proceeds from the Rights issue, after deducting the estimated expenses in relation to the Rights Issue, are estimated to be approximately HK\$98.7 million.

The Company seeks to conduct the Rights Issue to raise proceeds mainly for (i) facilitating the expansion of the Group's existing repairs and service support business (the "**Service Support Business**"); and (ii) facilitating the development of the Group's existing IT products trading business through sourcing used renowned branded products for sales and distribution (the "**Distribution Business**"). The Company also intends to use a portion of the proceeds of the Rights Issue for strategic investment in the business segment of "circular economy", which relates to the technology of recycling and transforming used technology products and materials (the "**Strategic Investment**"), which is expected to complement the Group's existing business. Details of the Service Support Business, the Distribution Business and the Strategic Investment are described below.

The Company intends to use the net proceeds from the Rights Issue as to (i) approximately HK\$57.9 million, representing approximately 58.7% of the net proceeds, for facilitating the expansion of the Service Support Business; (ii) approximately HK\$23.0 million, representing approximately 23.3% of the net proceeds, for developing the Distribution Business; and (iii) approximately HK\$17.8 million, representing approximately 18.0% of the net proceeds for the Strategic Investment.

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## LETTER FROM THE BOARD

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### ***Service Support Business***

The Company intends to use approximately HK\$57.9 million of the net proceeds from the Rights Issue for facilitating the expansion of the Service Support Business. The Service Support Business mainly entails the Group sourcing spare parts of electronic products for its customers, which include renowned IT brands and their service centers, in countries including the PRC, Japan, Singapore, Taiwan, and Australia. The proceeds will mainly be used for the Group's (a) initial set up, registration, leasing and renovation of branch offices in the relevant countries; (b) procurement of initial level of required spare parts inventory; (c) purchase of leasehold improvement and equipment for branch offices; and (d) initial working capital required for operating the branch offices in the relevant countries.

It is expected that the Group will source spare parts of electronic products from both Independent Third Parties and Hon Hai, the controlling shareholder and a connected person of the Company. The Company will comply with the applicable requirements of the GEM Listing Rules in respect of the potential purchases of spare parts from Hon Hai if and when necessary.

### ***Distribution Business***

The Company intends to use approximately HK\$23.0 million of the net proceeds from the Rights Issue for facilitating the development of the Distribution Business. The Distribution Business mainly entails the Group sourcing renowned branded products, which include phones, computers and other related products and accessories, from Independent Third Parties for sales and distribution mainly in countries in the regions of Asia and Europe, and the United States of America. The proceeds will mainly be used for funding the purchase of initial inventory required to operate the Distribution Business.

### ***Strategic Investment***

The Company intends to use approximately HK\$17.8 million of the net proceeds from the Rights Issue for strategic investment in the business segments of “circular economy – green technology”, which ranges from post-sales service and support to technologies in recycling and transforming used technology products and materials. The Group considers that such potential investment may enable the Group in enhancing its exposure in “green technology” and enhance the Group's business profile. As at the Latest Practicable Date, the Company is exploring suitable opportunities and the Company had not reached any binding agreements in relation to any investment opportunities.

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## LETTER FROM THE BOARD

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### RISK FACTORS

The Directors believe that there are certain risks involved in the operations of the Group and the Rights Issue, including but not limited to the following:

#### **Risk relating to operation of the Group**

##### ***Over 19% of the Group's total revenue was contributed from one major customer***

For the six months ended 30 June 2017, the Group's largest customer and five largest customers accounted for approximately 19% and 60%, respectively, of the Group's revenue. In the event that the Group's top customers decide to terminate the business relationship with the Group, the Group may not be able to find new customers in a timely manner or on terms acceptable to the Group or at all, and any such new prospective customers may not be able to replace the revenue previously generated by the Group's top customers, which will adversely affect the sales performance of the Group and thus its overall results of operation and financial position.

##### ***The Group has no long-term sales contracts with its major customers***

The Group has no long-term sales contracts with its major customers. If the business relationship between the Group and its major customers deteriorates or if any of its major customers reduces its purchases from the Group substantially or terminates its business relationship with the Group, the business, operation results and financial conditions of the Group may be adversely affected.

#### **Risk relating to the industry**

##### ***The Group's ability to keep up with technological changes in the video surveillance industry and the development of IT products***

A significant portion of the Group's revenue is generated from the sales and distribution of IT products, which entails the design, manufacturing and marketing of video surveillance systems and distribution of third party IT products. The Group's existing IT products have faced weak demand due to continued commoditisation of the market and increased competition. In respect to its video surveillance business, the Group intends to continue developing new and competitive solutions with higher video resolution and higher video analytic capabilities to address the market demand.



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## LETTER FROM THE BOARD

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The Group's performance depends on the ability to continually adapt its existing products and technological know-how, timely recruitment of personnel with the relevant skills and development of new video surveillance products and technologies which keep up with the latest technological trends in the industry. The effect of future technological changes in relation to production specifications to the Group's research and development plans or the level of technologies is unpredictable.

In addition, there is no assurance that the Group's competitors will not develop or sell technologies that are superior in quality and/or price of the Group's products. Failure to respond to the technological developments and maintain or enhance the Group's competitiveness within the industry or maintain the Group's customer base may result in decrease in profit margins and loss of market share, and the Group's financial performance and profitability may be adversely affected.

### **Financial risks relating to the Group**

The risks associated with the Group's major financial instruments include trade and other receivables, bank balances and trade and other payables.

#### ***Currency risk***

The Group's exposure to currency risk mainly arises from its sales and purchases that are denominated in foreign currencies. For the six months ended 30 June 2017, approximately 30% of the Group's sales and 33% of the Group's costs were denominated in currencies other than the functional currency of the group entity. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

#### ***Credit risk***

The Group's exposure to credit risk would be due to failure to discharge an obligation by the counterparties on the carrying amounts of the trade receivables and other receivables.

#### ***Liquidity risk***

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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## LETTER FROM THE BOARD

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### **Risks relating to the Share Price**

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares in the public market price and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to the Group's operation, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions could cause the market price of the Shares to change substantially.

### **Risks relating to the Rights Issue**

Under the Underwriting Agreement, the Underwriter is entitled to terminate its obligations by giving notice in writing to the Company upon the occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" in this Prospectus on or before the Latest Time for Termination. Should the Rights Issue proceed as intended, the shareholding interest of the existing Shareholders in the Company will be diluted if they do not or cannot subscribe for the Rights Shares which they are entitled to.

### **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

### **ADDITIONAL INFORMATION**

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

By order of the Board  
**CircuTech International Holdings Limited**  
**Dr. Woo Kwok Fai Louis**  
*Chairman and Chief Executive Officer*

**1. FINANCIAL INFORMATION INCORPORATED BY REFERENCE**

The financial information and management discussion and analysis of the Group for each of the two years ended 30 June 2015 and 30 June 2016, and each of the six months ended 31 December 2016 and 30 June 2017 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.circutech.com>).

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 30 June 2015 has been set out in pages 32 to 87 and pages 5 to 8 respectively of the annual report of the Company dated 29 September 2015 which are incorporated by reference into this Prospectus and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below a quick link to the annual report of the Company dated 29 September 2015:

[www.hkexnews.hk/listedco/listconews/GEM/2015/0929/GLN20150929027.pdf](http://www.hkexnews.hk/listedco/listconews/GEM/2015/0929/GLN20150929027.pdf)

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the year ended 30 June 2016 has been set out in pages 29 to 75 and pages 6 to 8 respectively of the annual report of the Company dated 30 September 2016 which are incorporated by reference into this Prospectus and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below a quick link to the annual report of the Company dated 30 September 2016:

[www.hkexnews.hk/listedco/listconews/GEM/2016/0930/GLN20160930149.pdf](http://www.hkexnews.hk/listedco/listconews/GEM/2016/0930/GLN20160930149.pdf)

The audited consolidated financial statements, including the notes thereto, and the management discussion and analysis of the Group for the six months ended 31 December 2016 has been set out in pages 39 to 89 and pages 6 to 9 respectively of the annual report of the Company dated 30 March 2017 which are incorporated by reference into this Prospectus and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below a quick link to the annual report of the Company dated 30 March 2017:

[www.hkexnews.hk/listedco/listconews/GEM/2017/0330/GLN20170330489.pdf](http://www.hkexnews.hk/listedco/listconews/GEM/2017/0330/GLN20170330489.pdf)

The unaudited interim financial information, including the notes thereto, and the management discussion and analysis of the Group for the six months ended 30 June 2017 have been set out in pages 5 to 30 and pages 31 to 40 respectively of the interim report of the Company dated 11 August 2017 which are incorporated by reference into this Prospectus and are available on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below a quick link to the interim report of the Company dated 11 August 2017:

[www.hkexnews.hk/listedco/listconews/GEM/2017/0814/GLN20170814121.pdf](http://www.hkexnews.hk/listedco/listconews/GEM/2017/0814/GLN20170814121.pdf)

## 2. STATEMENT OF INDEBTEDNESS

### **Indebtedness and borrowings**

#### ***Borrowings and debts***

As at the close of business on 31 July 2017, being the latest practicable date of ascertaining certain information relating to this indebtedness statement prior to the printing of this prospectus, the Group did not have any borrowings or debts.

#### ***Pledge of assets***

As at the close of business on 31 July 2017, being the latest practicable date of ascertaining certain information relating to this indebtedness statement prior to the printing of this prospectus, a bank deposit of approximately HK\$15.6 million (or equivalent to approximately US\$2 million) was pledged to the bank for the bank facility amounting to approximately HK\$31.2 million granted to the Group.

#### ***Contingent liabilities***

As at the close of business on 31 July 2017, being the latest practicable date of ascertaining certain information relating to this indebtedness statement prior to the printing of this prospectus, the Group had contingent liabilities in respect of guarantees issued under the banking facilities as a stand by line of credit to a vendor of the Group amounting to approximately HK\$31.2 million.

#### ***General***

Save as disclosed above, as at the close of business on 31 July 2017, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness or any finance lease commitments, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, guarantees or other material contingent liabilities.

#### ***Material indebtedness change***

Save as disclosed above, the Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Company since 31 July 2017 up to the Latest Practicable Date.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue and the present available financial resources, including internally generated funds and existing banking facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus in the absence of unforeseeable circumstances.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

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

The Group is principally engaged in the sales and distribution of IT products mainly in Asia (including Hong Kong, Singapore, the Middle East and other Asian countries), Europe and Africa. The Group is also engaged in the provision of repair, maintenance and other service support of IT products.

As disclosed in the interim report of the Group for the six months ended 30 June 2017, the Group achieved growth in the sales and distribution segment and the growth is attributable to the expansion of Asian and European markets due to broadening of product offerings and successful operational efficiencies implemented in 2017 that continued to improve the Group's performance. Building on this momentum, the Group continues to expand its repairs and service support network in order to pursue new, strategic customers to grow the Group's turnover and enhance shareholders' returns.

The Group is looking to substantially enhance its Service Support Business to widen its customer base and source of revenue. As disclosed in the section headed "Reasons for the Rights Issue and Use of Proceeds – Use of Proceeds" in the Letter from the Board, the Group intends to source spare parts of electronic products for its customers, which include renowned IT brands and their service centers, in countries including the PRC, Japan, Singapore, Taiwan, and Australia. The Group is confident that expanding the exposure of its Service Support Business in different countries may enable the Group to not only widen its revenue base but also enhance the Group's business profile in different countries, which could potentially provide the Group with further business opportunities.

Furthermore, the Group intends to further strengthen its existing core business of the sales and distribution of IT products. As disclosed in the section headed “Reasons for the Rights Issue and Use of Proceeds – Use of Proceeds” in the Letter from the Board, the Group would utilise a portion of the proceeds from the Rights Issue to source used renowned branded IT products, which include phones, computers and other related products and accessories, from Independent Third Parties for sales and distribution mainly in countries in Asia and Europe, and the United States of America. The Group considers that there is a sizeable market and demand for used renowned branded IT products given the relatively cheaper price of used products. At the same time, there is demand for such products given their renowned brand and popularity. The Group is confident that the distribution of such products in a range of countries would enable the Group to stimulate its Distribution Business and widen its customer base.

To complement the Group’s existing business, the Group has considered the business segment of “circular economy” to be particularly attractive. The “circular economy” segment spans from post-sales service and support to technologies in recycling and transforming used technology products and materials, and the entering of such segment may enable the Group to enhance its exposure in “green technology” and enhance the Group’s business profile and image. Furthermore, the Group’s potential development into the “circular economy” business segment may provide the Group with further business opportunities and additional revenue. As such, as disclosed in the section headed “Reasons for the Rights Issue and Use of Proceeds – Use of Proceeds” in the Letter from the Board, the Group intends to use a small portion of the proceeds from the Rights Issue for Strategic Investment in the green technology business.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2017 (the “Unaudited Pro Forma Financial Information”) which has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had taken place on 30 June 2017.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net assets of the Group attributable to owners of the Company adjusted by the capitalised development costs as at 30 June 2017, as extracted from the published interim report of the Group for the six months ended 30 June 2017, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 June 2017 or any future date.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 <i>(Note 1)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets per share attributable to owners of the Company immediately after completion of the Rights Issue <i>(Note 3)</i> HK\$	Unaudited pro forma adjusted consolidated net tangible assets per share attributable to owners of the Company immediately after completion of the Rights Issue <i>(Note 4)</i> HK\$
Based on 6,695,366 Rights Shares to be issued at the Subscription Price of HK\$15.0 per Rights Share	57,214	98,700	155,914	3.42	6.65

*Notes:*

- (1) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2017 of approximately HK\$57,379,000, adjusted by the capitalised development costs of HK\$165,000 as at 30 June 2017, extracted from the published interim report of the Group for the six months ended 30 June 2017.
- (2) The estimated net proceeds from the Rights Issue are based on 6,695,366 Rights Shares to be issued on the basis of 2 Rights Shares for every 5 existing Shares at the Subscription price of HK\$15 per Rights Shares, after deduction of the estimated related expenses of approximately HK\$1,730,000 including underwriting commission of approximately HK\$1,000,000.
- (3) The unaudited consolidated net tangible assets per share attributable to owners of the Company as at 30 June 2017 was approximately HK\$3.42, which was based on the unaudited consolidated net tangible assets of the Group attributable to shareholders of the Company as at 30 June 2017 of approximately HK\$57,214,000 and 16,738,417 shares in issue as at 30 June 2017.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as adjusted for the Rights Issue per share is arrived at after aggregating the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$57,214,000 as at 30 June 2017 (Note 1 above) and the estimated net proceeds of approximately HK\$98,700,000 from the Rights Issue (Note 2 above) and on the basis that 23,433,783 shares were in issue assuming the Rights Issue has completed on 30 June 2017.
- (5) No adjustment have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2017.



**(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of CircuTech International Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CircuTech International Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2017 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 36 to 37 of the Company's prospectus dated 26 September 2017, in connection with the rights issue of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 36 to 37.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the rights issue on the Group's financial position as at 30 June 2017 as if the rights issue had taken place at 30 June 2017. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited financial information for the six months ended 30 June 2017, on which a review report has been published.

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

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the rights issue at 30 June 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the Listing Rules.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 26 September 2017

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

### The authorised and issued share capital of the Company

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue are as follows:

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

<i>Authorised:</i>		<i>HK\$</i>
<u>400,000,000</u>	Shares	<u>80,000,000.00</u>
<i>Issued and fully paid:</i>		
<u>16,738,417</u>	Shares	<u>3,347,683.40</u>

#### (b) Immediately following completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>400,000,000</u>	Shares	<u>80,000,000.00</u>
<i>Issued and fully paid:</i>		
16,738,417	Shares	3,347,683.40
<u>6,695,366</u>	Rights Shares	<u>1,339,073.20</u>
<u>23,433,783</u>	Total	<u>4,686,756.60</u>

All the Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted and fully-paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Rights Shares (in their fully paid form).

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

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

As at the Latest Practicable Date, no share or loan capital of the Company or any of its subsidiaries had been put under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, save for the Rights Shares, the Company had no outstanding convertible securities, options or warrants in issue which confer any rights to subscribe for, convert or exchange into Shares and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

### **3. DISCLOSURE OF INTERESTS**

#### **(i) Directors' interests and short position in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

**(ii) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company based on the disclosure of interest notices filed with the Company, the following persons (not being Directors or chief executive of the Company) had interests or short positions 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, or who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
Foxconn (Far East) Limited <i>(Note 2)</i>	Beneficial owner	11,734,242 (L)	50.07% <i>(Note 1)</i>
Hon Hai Precision Industry Co. Ltd. <i>(Note 2)</i>	Interest of a controlled corporation	11,734,242 (L)	50.07% <i>(Note 1)</i>
Aristo Securities Limited <i>(Note 3)</i>	Other	3,342,726 (L)	14.26% <i>(Note 1)</i>
Aristo Investment Group Limited <i>(Note 3)</i>	Interest of a controlled corporation	3,342,726 (L)	14.26% <i>(Note 1)</i>
Ms. Wan Wai Ching Lilian <i>(Note 3)</i>	Interest of a controlled corporation	3,342,726 (L)	14.26% <i>(Note 1)</i>
Mr. Chia Kar Hin Eric John <i>(Note 3)</i>	Interest of spouse	3,342,726 (L)	14.26% <i>(Note 1)</i>

*Notes:*

1. The percentage shareholdings are calculated based on the expected issued share capital of the Company as enlarged by the issue of the Rights Shares under the Rights Issue comprising 23,433,783 Shares.
2. Based on the corporate substantial shareholder notices dated 4 September 2017 filed by Foxconn and Hon Hai, Foxconn was the beneficial owner of 8,381,602 Shares. Foxconn wholly owned by Hon Hai. Pursuant to the Controlling Shareholder Undertaking, Foxconn and Hon Hai have undertaken to subscribe for or procure the subscription of 3,352,640 Rights Shares. As such, at the Latest Practicable Date, Foxconn was interested in 11,734,242 Shares. Accordingly, Hon Hai was deemed to be interested in all the 11,734,242 Shares held by Foxconn by virtue of the SFO.
3. The long position in respect of 3,342,726 Shares are the Rights Shares which Aristo Securities Limited as the Underwriter is interested in under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Rights Issue. Aristo Securities Limited is owned as to 100% by Aristo Investment Group Limited. Aristo Investment Group Limited is owned as to 65% by Ms. Wan Wai Ching Lilian, whose spouse is Mr. Chia Kar Hin Eric John.

Save as disclosed above, the Directors or chief executive of the Company were not aware of any other persons (not being Directors or chief executive of the Company) as at the Latest Practicable Date, who had an interest or 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 or who was directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or which may be terminated by the employer within one year without payment of compensation other than statutory compensation).

**5. LITIGATION**

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any business or interest which competes or may compete, either directly or indirectly, with the business of the Group.

**7. INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group, nor has any Director had any direct or indirect interest in any assets which have 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 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**8. EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinion or advice included in this Prospectus:

<b>Name</b>	<b>Qualification</b>
PricewaterhouseCoopers (“PwC”)	Certified Public Accountants

As at the Latest Practicable Date, PwC has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and the references to its name included in the form and context in which it is included.

As of the Latest Practicable Date, PwC did not have any direct or indirect shareholding interest in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, PwC did not have any direct or indirect interest in any assets which have 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 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.



**9. MISCELLANEOUS**

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (b) As at the Latest Practicable Date, save for the Controlling Shareholder Undertaking, the Board had not received any information from any substantial Shareholders of their intention to take up the Rights Shares to be provisionally allotted or offered to them under the Rights Issue.
- (c) The business address of each of the directors and senior management of the Company is at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (d) The English text of this Prospectus shall prevail over the Chinese text for the purpose of interpretation.

**10. MATERIAL CONTRACTS**

Save for the Underwriting Agreement, members of the Group have not entered into any material contracts (not being contracts in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date.

**11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Registered office</b>	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111
<b>Headquarters and principal place of business in Hong Kong</b>	36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
<b>Principal share registrar and transfer office</b>	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands

<b>Branch share registrar and transfer office in Hong Kong</b>	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
<b>Joint Company Secretaries</b>	Mr. Tam Hoi Kwong member of the Hong Kong Institute of Certified Public Accountants  Ms. Wong Sau Ping associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom
<b>Compliance officer</b>	Dr. Woo Kwok Fai Louis
<b>Authorised representatives</b>	Dr. Woo Kwok Fai Louis 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong  Mr. Cheng Michael Ichiang 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
<b>Business address of Directors and authorised representatives</b>	36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
<b>Financial adviser to the Company</b>	Ballas Capital Limited 1802, One Duddell Street Central Hong Kong

<b>Underwriter</b>	Aristo Securities Limited Room 101, 1st Floor On Hong Commercial Building 145 Hennessy Road Wanchai, Hong Kong
<b>Legal adviser to the Company</b>	<i>As to Hong Kong law</i> Leung & Lau Units 7208-10 72nd Floor, The Center 99 Queen's Road C. Central Hong Kong
<b>Auditor and reporting accountant</b>	PricewaterhouseCoopers Certified Public Accountants 22nd Floor, Prince's Building Central Hong Kong
<b>Principal bankers</b>	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong

## 12. PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Dr. WOO Kwok Fai Louis** (“**Dr. Woo**”), aged 69, is an executive Director and chief executive officer and chairman of the Company. He is the compliance officer of the Company and also a member of the Remuneration Committee. Mr. Woo joined the Group in 2016. He is currently the Special Assistant to the Chief Executive Officer of Hon Hai and the Head of its Channel Business Group. He is also the Chairman of NCIH Holdings Limited, a member of Hon Hai. Dr. Woo has held senior management positions at various companies, including but not limited to Lernout & Hauspie and AsiaWorks Pte Ltd. Dr. Woo is a 12-year Apple Inc. veteran. Dr. Woo holds BSc, MSc, and PhD degrees from Stanford University.

**Mr. HUI Lap Shun** (“**Mr. Hui**”), aged 61, is an executive Director. Mr. Hui joined the Group in 2016. He is a seasoned entrepreneur in the information technology industry. Mr. Hui was one of the founders of lowcost personal computer company eMachines, Inc. in the 1990s, which was sold to Gateway Inc. in 2004. Mr. Hui acquired European personal computer company Packard Bell BV in 2006, and sold it to Acer Inc. in 2008. In 2009, he also acquired InFocus, a digital display technology company. Mr. Hui is the Chairman of Maxnerva Technology Services Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1037). Mr. Hui has an MBA from McMaster University.

**Mr. CHIEN Yi-Pin** (“**Mr. Chien**”), aged 56, is an executive Director. Mr. Chien joined the Group in 2016. He is a director of Hon Hai and general manager of NPCEBG, a business group within Hon Hai. Mr. Chien joined Hon Hai in 1991. He studied at Tamkang University. He is also an executive director of Maxnerva Technology Services Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1037).

**Ms. CHEN Ching-Hsuan** (“**Ms. Chen**”), aged 54, is an executive Director. Ms. Chen joined the Group in 2016. She is a senior director of Hon Hai and the Head of its Global Service Solutions Division. She was previously a manager in Foxconn Assembly LLC. during 2003 and 2007, where she was responsible for cost management for the Global Service Solutions Division in Houston Site. Ms. Chen worked in Intoka Software, Inc. as a software developer from 1997 to 2001 where she was primarily responsible for developing software resources management systems. Ms. Chen was previously a researcher in the Department of Meteorology in the University of Utah between 1995 to 1996 and an associate researcher at the Central Weather Bureau in Taiwan from 1987 to 1992. Ms. Chen obtained a postgraduate degree in Atmospheric Sciences from National Taiwan University in 1987.

**Mr. CHENG Michael Ichiang** (“**Mr. Cheng**”), aged 63, is an executive Director and chief financial officer of the Company. Mr. Cheng joined the Group in 2017. He is also a member of the Remuneration Committee and Nomination Committee. Mr. Cheng has a bachelor of science degree in Mechanical Engineering from University College, University of London, the United Kingdom. Mr. Cheng was admitted as an associate of the Institute of Chartered Accountants in England and Wales in 1980 and an associate member of the Institute of Chartered Accountants of British Columbia in 1984. Since serving as an accounting trainee in 1974, Mr. Cheng has over four decades of experience in accounting, finance and business development. Mr. Cheng served in international banks and technology enterprises including Citibank N.A., The Hongkong and Shanghai Banking Corporation Limited, Palm, Inc. and Apple Inc..

**Independent non-executive Directors**

**Mr. YEUNG Wai Hung Peter**, (“**Mr. Yeung**”), aged 59, has been an independent non-executive Director since 10 June 2016. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He has served as an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 0145), a company listed on the Main Board of the Stock Exchange, since February 2011. Mr. Yeung holds a bachelor of laws degree from the University of London and a postgraduate certificate in laws from the University of Hong Kong. He is a solicitor of the High Court of Hong Kong. Mr. Yeung has been a practicing solicitor for over 26 years and a partner of Messrs Hau, Lau, Li & Yeung, Solicitors & Notaries. Mr. Yeung is currently also an independent non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272), a company listed on GEM.

**Ms. WU Yi Shuan** (“**Ms. Wu**”), aged 40, has been an independent non-executive Director since 27 June 2016. She is also the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee. She is now working as a consultant at Asia-IO Advisors Limited. Prior to that, Ms. Wu was the Special Assistant to the managing director at Linpo Group, an international electronic component distributor and the Chief Administrative Officer of luxury goods maker MCM in Greater China, and before that, she was Senior Finance Manager of Shanghai LiXing Hotel Co. Ltd., the major shareholder of two luxurious hotels in the Shanghai Xintiandi area. Ms. Wu had previously held various finance roles with listed companies in Hong Kong, including TOM Group Limited, PCCW Limited, and Karce International Holding Co. Ltd. She started her career as an auditor with Arthur Andersen/PwC, and qualified as an American Certified Public Accountant in 2004. Ms. Wu graduated with a Bachelor of Science degree from Washington University in St. Louis, and an MBA from the University of Iowa.

**Mr. MIAO Benny Hua-ben** (“**Mr. Miao**”), aged 42, has been an independent non-executive Director since 27 June 2016. He is also the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. He is currently the managing director and Head of Corporate Finance at the Hong Kong Branch of Cathay United Bank and is responsible for its international investment banking business. Mr. Miao was formerly a Senior Portfolio Manager with the Dutch pension asset manager APG Asset Management Asia and was responsible for originating, structuring and executing direct and fund investments in Asia-Pacific. Prior to that, Mr. Miao was an investment director with the China-ASEAN Fund where he was involved in originating, structuring and executing direct private equity investments in the ASEAN region. He also worked previously as a Vice President at Citigroup within its Investment Banking and Fixed Income divisions in New York, Australia and Hong Kong. Mr. Miao has a Bachelor of Science degree in Finance from California State Polytechnic University – Pomona, and an MBA from Pennsylvania State University. He is also a Chartered Financial Analyst.

### Senior Management

**Mr. HO Ka Ho** (“**Mr. Ho**”), aged 45, is the chief executive officer of the video surveillance business line. Mr. Ho has over 22 years of experience in computer architecture, software engineering and digital signal processing. Mr. Ho obtained his bachelor of engineering degree in computer engineering with first class honours and master of science degree in electronic engineering from the City University of Hong Kong.

The Chairman of the Audit Committee is Ms. Wu while the members of the Audit Committee are Mr. Yeung and Mr. Miao. The primary duties of the Audit Committee are to review and supervise the financial reporting, risk management and internal control systems of the Group. The Audit Committee has been assisted by the professional accounting firm engaged by the Group, which will conduct regular internal audits and report to the Audit Committee, review the Company’s annual report and financial statements, quarterly reports and half-yearly report and to provide advice and comments thereon to the Board.

### 13. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, legal and accounting fees, are estimated to be approximately HK\$1.7 million and are payable by the Company.

### 14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter as referred to under the paragraph headed “8. Expert and Consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### 15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day at the principal place of business of the Company in Hong Kong at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong from the date of this Prospectus, up to Tuesday, 10 October 2017 (both days inclusive):

- (a) the memorandum and articles of association of the Company;
- (b) the interim report of the Company for the six months ended 30 June 2017 and the annual reports of the Company for the six months ended 31 December 2016 and the years ended 30 June 2016 and 30 June 2015;

- (c) the report from PwC on the unaudited pro forma financial information of the Group, the text of which is set out in part 2 of Appendix II to this Prospectus;
- (d) the material contracts referred to in the section headed “Material contracts” of this appendix;
- (e) the written consent as referred to in the section headed “Expert and consent” in this appendix; and
- (f) the Prospectus Documents.