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**In-Tech**

**中國智能科技有限公司**

**CHINA IN-TECH LIMITED**

*(incorporated in Cayman Islands with limited liability)*

**(Stock Code: 00464)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 20 January 2025 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into the Placing Agreement with the Joint Placing Agents, pursuant to which the Joint Placing Agents (on a several basis) have conditionally agreed to place a maximum of 46,000,000 Placing Shares at the Placing Price of HK\$0.225 on a best efforts basis and will receive a placing commission of 3% of the aggregate Placing Price of the Placing Shares being placed.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM.

The 46,000,000 Placing Shares under the Placing represent approximately 7.76% of the existing issued share capital of the Company of 593,154,000 Shares as at the date of this announcement and approximately 7.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full (assuming there is no change in the number of issued Shares between the date of the Placing Agreement and the Completion Date). The total nominal value of the Placing Shares is HK\$46,000.

The gross proceeds of the Placing will be HK\$10.35 million. The net proceeds of the Placing (after deduction of other expenses of the Placing) will be approximately HK\$10.00 million. The Company plans to apply the net proceeds for general working capital of the Group.

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

## **PLACING AGREEMENT**

### **Date:**

20 January 2025 (after trading hours)

### **Parties:**

- (1) The Company; and
- (2) The Joint Placing Agents.

The Joint Placing Agents (on a several basis) have conditionally agreed to place a maximum of 46,000,000 Placing Shares at the Placing Price of HK\$0.225 on a best efforts basis and will receive a placing commission of 3% of the aggregate Placing Price of the Placing Shares being placed.

### **Placees**

The Joint Placing Agents will, on a best effort basis, place the Placing Shares to an aggregate of not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial shareholder of the Company as a result of the Placing.

### **Number of Placing Shares**

The 46,000,000 Placing Shares under the Placing represent approximately 7.76% of the existing issued share capital of the Company of 593,154,000 Shares as at the date of this announcement and approximately 7.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full (assuming there is no change in the number of issued Shares between the date of the Placing Agreement and the Completion Date). The total nominal value of the Placing Shares is HK\$46,000.

### **Placing Price**

The Placing Price of HK\$0.225 per Placing Share represents:

- (i) a discount of approximately 19.64% to the closing price of HK\$0.280 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a premium of approximately 45.35% to the average closing price of HK\$0.1548 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement; and

- (iii) a premium of approximately 37.87% to the average closing price of HK\$0.1632 per Share for the last ten consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was negotiated and arrived at after arm's length negotiation between the Company and the Joint Placing Agents with reference to the prevailing market price of the Shares, the current market conditions and the prospects of the Group.

### **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the existing Shares in issue on the date of issue.

### **General Mandate to issue Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to issue up to 106,630,800 Shares. As at the date of this announcement, 60,000,000 Shares have been allotted and issued pursuant to the General Mandate. Therefore, the balance of the General Mandate as at date of this announcement is 46,630,800 Shares and is sufficient for the issue and allotment of the Placing Shares. Accordingly, the allotment and issue of the Placing Shares are not subject to any Shareholders' approval.

### **Application for listing of Placing Shares**

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

### **Condition of the Placing Agreement**

Completion under the Placing Agreement is conditional upon:

1. each of the Joint Placing Agents having received in immediately available funds the aggregate Placing Price of the Placing Shares from the Placee(s) procured by the respective Joint Placing Agent and confirmed the same in writing to the Company; and
2. the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, all the Placing Shares to be placed pursuant to the terms and conditions of the Placing Agreement.

If the above condition is not satisfied on or before 10 February 2025 (or such later date as the Company and the Joint Placing Agents may agree in writing), all rights, obligations and liabilities of the Parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the Parties shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Completion by each of the Joint Placing Agents is not inter-conditional to each other.

## **Termination of the Placing**

Under the Placing Agreement, each of the Joint Placing Agents shall be entitled by way of written notice to the Company given prior to 4:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement between itself and the Company, if:

- (1) an event occurring or matter arising on or after the date of the Placing Agreement and prior to the Completion Date which has rendered any of the undertakings, warranties and representations contained in the Placing Agreement untrue or incorrect and incapable of being remedied and such would have a material adverse impact on the Placing and the same has come to the notice of the relevant Joint Placing Agent;
- (2) any new law or regulation or any change in existing laws or regulations or the interpretation thereof by any court or other competent authority in Hong Kong or the People's Republic of China which is reasonably expected to materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
- (3) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which will, or is reasonably expected to, have a material adverse effect on the Placing; or
- (4) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which has or is reasonably expected to have a material adverse effect on the Placing; or
- (5) there is a material adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the relevant Joint Placing Agent and is material in the context of the Placing.

Upon termination of the Placing Agreement pursuant to the above paragraphs, the Placing Agreement (between the relevant Joint Placing Agent and the Company) shall be terminated and be of no further effect and none of the relevant Parties shall be under any liability to the other Parties in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Termination of the Placing Agreement by one of the Joint Placing Agents will not affect the agreement between another Joint Placing Agent and the Company.

## **Completion of the Placing**

Completion shall take place within four (4) Business Days following the day on which the conditions of the Placing Agreement are satisfied (or such other date as may be agreed between the Parties in writing).

## FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Date of completion	Fund raising activities	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
4 & 19 November 2024	19 November 2024	Subscription of 60,000,000 new Shares by Ms. Chen Huiru at the subscription price of HK\$0.100 per Share under the General Mandate	HK\$6.0 million	General working capital of the Company	The net proceeds have been fully utilized as intended.

## EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of the Placing Agreement, the Company has 593,154,000 Shares in issue. The shareholding structure of the Company (i) as at the date of the Placing Agreement; and (ii) immediately upon Completion (assuming that the Placing are fully completed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing Agreement) are as follows:

	As at the date of the Placing Agreement		Immediately upon Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
China Yuen Capital Limited (Note)	252,132,500	42.51	252,132,500	39.45
Chen Huiru	60,000,000	10.12	60,000,000	9.39
Special Opportunity Private Equity Investment Fund No.2* (特殊機遇私募投資基金2號)	50,575,000	8.52	50,575,000	7.91
Feng Xinhe	46,672,000	7.87	46,672,000	7.30
Special Opportunity Private Equity Investment Fund No.3* (特殊機遇私募投資基金3號)	44,500,000	7.50	44,500,000	6.96
Placee(s)	—	—	46,000,000	7.20
Other Public Shareholders	139,274,500	23.48	139,274,500	21.79
	<u>593,154,000</u>	<u>100.00</u>	<u>639,154,000</u>	<u>100.00</u>

*Note:*

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

## **REASONS FOR PLACING AND USE OF PROCEEDS**

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

The gross proceeds of the Placing will be HK\$10.35 million. The net proceeds of the Placing (after deduction of other expenses of the Placing) will be approximately HK\$10.00 million. The Company plans to apply the net proceeds for general working capital of the Group. The net proceeds is expected to be fully utilised within 12 months from the Completion Date. The net placing price is approximately HK\$0.217.

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

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

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

## **DEFINITIONS**

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 3 September 2024 at which, among other things, the General Mandate was granted to the Directors;
“Board”	the board of Directors;

“Business Day”	a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning 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 signal 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 generally open for business in Hong Kong throughout their normal business hours;
“Company”	China In-Tech Limited (中國智能科技有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0464);
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement;
“Completion Date”	a date falling within four (4) Business Days following the day on which the conditions of the Placing Agreement are satisfied (or such other date as may be agreed between the Parties in writing hereto);
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“General Mandate”	the general mandate granted to the Directors by a resolution passed at the AGM to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued Shares as at 3 September 2024;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Joint Placing Agents”	collectively:  (a) Ruisen Port Securities Limited, a corporation licensed under the SFO to conduct type 1 (dealing in securities) and type 2 (dealing in future contracts) regulated activities; and



(b) Asia Pacific Securities Limited, a corporation licensed under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in future contracts) and type 4 (advising on securities) regulated activities;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Parties” or “Party”	the Company and the Joint Placing Agents, being parties to the Placing Agreement;
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Joint Placing Agents to subscribe for any of the Placing Shares;
“Placing”	the placing of up to a maximum of 46,000,000 Placing Shares at the Placing Price pursuant to the terms and conditions of the Placing Agreement;
“Placing Agreement”	the placing agreement dated 20 January 2025 entered into between the Company and the Joint Placing Agents in relation to the Placing;
“Placing Price”	HK\$0.225 per Placing Share;
“Placing Shares”	up to a maximum of 46,000,000 new Shares to be allotted and issued pursuant to the Placing Agreement, and each, a “Placing Share”;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of nominal price of HK\$0.001 each in the share capital of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

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

Hong Kong, 20 January 2025



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

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*\* For identification purposes only*