
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Inno-Tech Holdings Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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INNO-TECH HOLDINGS LIMITED

匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

**PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company



Akron Corporate Finance Limited
亞貝隆資本有限公司

**Independent financial adviser to the
Independent Board Committee and the Independent Shareholders**



GOLDIN FINANCIAL LIMITED
高銀融資有限公司

A letter from the Board is set out on pages 4 to 12 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 13 to 14 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 22 of this circular.

A notice convening the SGM to be held at 11:00 a.m. on Thursday, 8 June 2017 at Suite B, 6/F., One Capital Place, 18 Luard Road, Wan Chai, Hong Kong is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjourned meeting thereof should you so wish.

This circular will remain on the “Latest Company Announcement” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.it-holdings.com.hk.

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors of the Company
“Bye-laws”	the bye-laws of the Company
“Capital Reorganisation”	the reorganisation of the share capital of the Company involving, among others, share consolidation, capital reduction and share subdivision. Details of which were disclosed in the announcements of the Company dated 12 August 2016, 19 September 2016 and 3 November 2016 respectively and the circular of the Company dated 23 September 2016
“CB”	a series of convertible bonds of an aggregate principal amount of HK\$25,000,000 issued by the Company to not less than six places on 7 November 2016. Details of which were disclosed in the announcements of the Company dated 12 August 2016, 19 September 2016 and 7 November 2016 respectively and the circular of the Company dated 23 September 2016
“Company”	Inno-Tech Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the GEM
“controlling Shareholders”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Existing General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 14 October 2016 to the Directors to allot, issue and deal with up to a maximum of 31,849,871 Shares (adjusted after the Capital Reorganisation became effective on 4 November 2016)
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors of the Company to advise the Independent Shareholders in respect of the grant of Issue Mandate
“Independent Financial Adviser”	Goldin Financial Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of Issue Mandate
“Independent Shareholder(s)”	any Shareholders other than controlling Shareholders of the Company and their associates or, if there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates

DEFINITIONS

“Issue Mandate”	the general mandate proposed to be sought at the SGM to authorize the Directors to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of the SGM
“Latest Practicable Date”	19 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at 11:00 a.m. on Thursday, 8 June 2017 at Suite B, 6/F., One Capital Place, 18 Luard Road, Wan Chai, Hong Kong, or any adjournment thereof, notice of which is set out on pages SGM-1 to SGM-4 of this circular
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



INNO-TECH HOLDINGS LIMITED

匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

Executive Directors:

Mr. Ha Chuen Yeung
Mr. Lau King Hang
Dr. Chan Yiu Wing
Mr. Mazher Hussain

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

Independent Non-executive Directors:

Mr. Lee Ho Yiu, Thomas
Mr. Tse Yuen Ming
Ms. Liu Jianyi

*Head office and principal place of
business in Hong Kong:*

Suite B, 6/F
One Capital Place
18 Luard Road
Wan Chai, Hong Kong

23 May 2017

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in relation to (i) the grant of Issue Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders with regard to the grant of Issue Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regard to the grant of Issue Mandate; and (iv) a notice of the SGM.

* For identification purpose only

LETTER FROM THE BOARD

GRANT OF ISSUE MANDATE

Background of grant of Issue Mandate

At the annual general meeting of the Company held on 14 October 2016, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with up to 159,249,356 Shares, which is equivalent to 20% of the aggregate number of issued Shares as at the date of the resolution was passed. The said 159,249,356 Shares were adjusted to 31,849,871 Shares immediately following the Capital Reorganisation became effective on 4 November 2016.

On 18 November 2016, the Company entered into a placing agreement in relation to the placing of 31,849,871 new Shares (the “**Placing**”). The Placing was completed on 30 November 2016. Accordingly, 31,849,871 new Shares were successfully placed and the net proceeds from the placing amounting to approximately HK\$10.6 million was received by the Company.

As at the Latest Practicable Date, as a result of completion of the Placing, the Existing General Mandate has been fully utilised.

As at the Latest Practicable Date, the Company has not refreshed the Existing General Mandate since its utilisation and has to be refreshed to allow the Company to conduct future fund raising activities in the event that the Company is able to identify suitable opportunities, including placing agent(s) or suitable subscriber(s).

Proposed grant of Issue Mandate

The Company will convene the SGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the general mandate to allot and issue Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing the relevant ordinary resolution at the SGM.

Based on the 997,949,099 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the aggregate number of issued Shares from the Latest Practicable Date up to the date of the SGM, subject to the passing of the relevant ordinary resolution to approve the grant of Issue Mandate at the SGM, the Directors will be authorized to allot and issue up to 199,589,819 new Shares under the Issue Mandate.

The Issue Mandate will, if granted at the SGM, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held in accordance with the Bye-laws or the applicable laws of Bermuda; and (iii) its revocation or variation by ordinary resolution(s) of the Shareholders in general meeting.

LETTER FROM THE BOARD

Reasons for grant of Issue Mandate

The Group is principally engaged in provision of outdoor advertising on buses and bus stations and television advertising operations in the PRC and event management and marketing services in Hong Kong.

As a result of the Placing, the Existing General Mandate has been fully utilised. The next annual general meeting of the Company will only be held until around late October 2017, which is around five months from the date of this circular.

As at 30 April 2017, the unaudited cash and bank balance of the Group was approximately HK\$9.3 million. Based on the latest projection of the Company, in the absence of unforeseen circumstances, it is estimated that the working capital requirement of the Group for the next twelve months will be approximately HK\$82.9 million, which is mainly comprises of license fee, production fee and taxation in the PRC. Having considered the above working capital requirement, the Company will still maintain a positive cash position mainly through the receipt of advertising fee. The Directors are of the view that the Group has sufficient working capital for its present requirements and for at least 12 months from the Latest Practicable Date.

However, there is no certainty that such cash resources will be adequate in the event that any unexpected circumstances occur prior to the next annual general meeting of the Company being held, such as any potential investment opportunities arise which may increase in the working capital requirement of the Group, the then cash position of the Group may not be sufficient to capture such potential investment opportunities or funding needs. Therefore, the Directors consider that the refreshment of the Existing General Mandate could provide the Group the flexibility to have immediate access additional funds for coping with any business opportunities and challenges.

The Directors consider that the grant of Issue Mandate would provide the Group with the necessary flexibility to (i) fulfill any possible funding needs for future business development and/or investment decisions which may arise at any time; (ii) strengthen the capital base of the Company; and (iii) have an option to consider issue of consideration shares as one of the settlement means in an acquisition as and when the Directors consider to be appropriate should suitable opportunities arise in the future. In addition, the Directors regarded equity financing as an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

The Directors consider that funding requirements or appropriate investment opportunities may arise at any time prior to the next annual general meeting and investment decisions may have to be made within a limited period of time in such event. Therefore, the Board is now proposing to seek the approval of Independent Shareholders at the SGM for the grant of Issue Mandate such that, should attractive terms for investment in the Shares become available from potential investors or investment

LETTER FROM THE BOARD

opportunities arise, the Board would be able to respond to the market promptly as fund raising exercise pursuant to a general mandate provides the Company with a simpler and less lead time process than other types of fund raising exercises as well as to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

The Directors are optimistic to the advertising business, the core business of the Group, and the Group will continue to focus on the development of the advertising business. The management continues to explore the possibilities to expand its advertising network and coverage in different industries on one hand; and to identify suitable business opportunities on the other hand in order to optimize the return of the Group's available resources. Therefore, the Directors consider the refreshment of the Existing General Mandate will provide the Group with equity fund raising alternative to seize the potential opportunities and enhance the Group's business development.

As at the Latest Practicable Date, the Company does not have any plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any fund raising activities or precise investment opportunities and has no immediate plan for issue of new Shares under the Issue Mandate.

The Directors will also consider other equity financing methods such as rights issue and open offer, and debt financing, if appropriate, so as to meet its financing requirements arising from any future development of the Group. It usually takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work and cost for the trading arrangements. Although rights issue and open offer would be offered to the Shareholders on a pro rata entitlement basis, those qualifying shareholders who choose not to take up their assured entitlements in full would have dilution impact to their shareholding interests in the Company.

Debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks which involve providing documents for credit evaluation procedures by the banks before entering into any debt financing agreement.

The Directors believe that the grant of Issue Mandate is more cost-effective, efficient and less time consuming and will enhance the Company's financial flexibility (without restricting its ability to conduct rights issue or open offer) to expand and develop the business of the Company.

The Directors note that the utilisation of the Issue Mandate will have potential dilution impact on the shareholding of the Shareholders. However, potential business investment opportunities may arise at any time, it is crucial for the Group to have the ability to respond to the changing market

LETTER FROM THE BOARD

conditions in a timely manner and to provide the Group with the flexibility to have immediate access to cash resources at reasonable costs as assessed by the Directors from time to time (with reference to the then available financing options, the costs associated with those available financing options and potential return of investment opportunities) for appropriate business investment opportunities. Taking into account the volatility of the market, the Company may fail to seize and capitalise on potential investment opportunities if it has to wait until the next annual general meeting for the grant of Issue Mandate given that in most cases parties to a transaction prefer to look for quick completion of their deals.

Based on the foregoing, the Directors (including the independent non-executive Directors after taking into account of the advice of Independent Financial Adviser) consider that the grant of Issue Mandate is in the interest of the Company and the Shareholders as a whole. Therefore, the Board proposes to seek the approval of the Independent Shareholders for the grant of Issue Mandate at the SGM.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The following table summarises the fund raising activity by the Company in the past 12 months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately)	Proposed use of net proceeds	Actual use of net proceeds
18 November 2016 (Completed on 30 November 2016)	Placing of 31,849,871 new shares at a placing price of HK\$0.35 per placing share	HK\$10.6 million	For repayment of an outstanding loan of the Group	Used as intended

LETTER FROM THE BOARD

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately)	Proposed use of net proceeds	Actual use of net proceeds
12 August 2016 (Completed on 24 October 2016)	Placing of 159,249,356 new shares at a placing price of HK\$0.1 per placing share	HK\$12.22 million	The total net proceeds of the placing of shares and the placing of CB will be used for general working capital of the Group	Used as intended
12 August 2016 and 19 September 2016 (Completed on 7 November 2016)	Placing of CB with an aggregate principal amount of HK\$25 million	HK\$23.74 million		

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

POTENTIAL DILUTION ON SHAREHOLDINGS

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Issue Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the SGM), for illustrative and reference purpose:

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the Issue Mandate	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Kuo Yi-Hui	150,000,000	15.03	150,000,000	12.53
Kwok Kai Sing Benny	100,000,000	10.02	100,000,000	8.35
Leung Ka Wei Angela	100,000,000	10.02	100,000,000	8.35
Chan Wah Lit	100,000,000	10.02	100,000,000	8.35
Sub-total	450,000,000	45.09	450,000,000	37.58
Public Shareholders	547,949,099	54.91	547,949,099	45.75
Shares to be issued under the Issue Mandate	—	—	199,589,819	16.67
Total	997,949,099	100.00	1,197,538,918	100.00

Upon full utilisation of the Issue Mandate, 199,589,819 Shares will be issued, representing 20% of the aggregate number of issued Shares as at the Latest Practicable Date and approximately 16.67% of the aggregate number of issued Shares as enlarged by the Shares issued under the Issue Mandate. Assuming that the Company does not issue and/or repurchase any Shares from the Latest Practicable Date up to and including the date of the SGM, the aggregate shareholding of the public Shareholders will decrease from approximately 54.91% as at the Latest Practicable Date to approximately 45.75% upon full utilisation of the Issue Mandate, representing a potential maximum dilution in public shareholding by approximately 16.67%.

Taking into account that the grant of the Issue Mandate (i) would allow the Company to raise funds to satisfy its working capital or other financing requirements by allotment and issuance of new Shares before the next annual general meeting which is expected to be held in around five months from the Latest Practicable Date; (ii) would provide more flexibility and options of financing to the Group for its current and future business development as well as for other potential future investments as and when such opportunities arise; (iii) will provide the Company with an additional financing alternative other than debt financing, pro-rata equity financing and equity financing under specific mandate; and (iv) the above flexibility outweigh the dilution effect of the existing

LETTER FROM THE BOARD

Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and the Shareholders as a whole, the Directors consider that such potential dilution to the shareholdings of the existing Shareholders as aforementioned is acceptable.

SGM

The SGM will be convened and held for the purpose of considering, and, if thought fit, approving the grant of Issue Mandate.

The notice of the SGM is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjourned meeting should you so wish.

Pursuant to 17.42A(1) and 17.47(4) of the GEM Listing Rules, the grant of Issue Mandate requires the approval of the Independent Shareholders at the SGM taken on a vote by way of poll, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution to approve the grant of Issue Mandate. As at the Latest Practicable Date, there is no controlling Shareholder. As at the Latest Practicable Date, none of the Directors and the chief executive of the Company and their respective associates hold any Shares and to the extent that any of the Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of his/her/their Shares at the date of SGM, they are required to abstain from voting in favour of the ordinary resolution to approve the grant of Issue Mandate at the SGM.

The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders set out on pages 13 to 14 of this circular and the letter from the Independent Financial Adviser containing its recommendation to the Independent Shareholders and the principal factors which it has considered in arriving at its recommendation with regard to the grant of Issue Mandate, as set out on pages 15 to 22 of this circular.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors after taking into account of the advice of Independent Financial Adviser) is of the opinion that the grant of Issue Mandate is in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

GENERAL

Goldin Financial Limited, the Independent Financial Adviser, has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

RESPONSIBILITY STATEMENT

This circular, 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Inno-Tech Holdings Limited
Ha Chuen Yeung
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



INNO-TECH HOLDINGS LIMITED

匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

23 May 2017

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company to the Shareholders dated 23 May 2017 (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the grant of Issue Mandate which will enable the Board to exercise the power of the Company to allot, issue and deal with the new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the SGM.

Goldin Financial Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the grant of Issue Mandate is fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 15 to 22 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 12 of the Circular.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the grant of Issue Mandate and the recommendation of Goldin Financial Limited, we consider that the grant of Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the grant of Issue Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of Issue Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Lee Ho Yiu, Thomas Mr. Tse Yuen Ming Ms. Liu Jianyi

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser setting out the advice to the Independent Board Committee and Independent Shareholders in respect of the grant of Issue Mandate prepared for the purpose of incorporation in this circular.



GOLDIN FINANCIAL LIMITED
高銀融資有限公司

Goldin Financial Limited
Suites 2202-2209, 22/F
Two International Finance Centre
8 Finance Street
Central
Hong Kong

23 May 2017

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of Issue Mandate, details of which are set out in the letter from the board (the “**Letter from the Board**”) contained in the circular of the Company dated 23 May 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Company will convene the SGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the general mandate to allot and issue Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing the relevant ordinary resolution at the SGM.

Based on the 997,949,099 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the aggregate number of issued Shares from the Latest Practicable Date up to the date of the SGM, subject to the passing of the relevant ordinary resolution to approve the grant of Issue Mandate at the SGM, the Directors will be authorized to allot and issue up to 199,589,819 new Shares under the Issue Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The SGM will be convened and held for the purpose of considering, and, if thought fit, the proposed grant of Issue Mandate. Pursuant to 17.42A(1) and 17.47(4) of the GEM Listing Rules, the grant of Issue Mandate requires the approval of the Independent Shareholders at the SGM taken on a vote by way of poll, any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution to approve the grant of Issue Mandate. As at the Latest Practicable Date, there is no controlling Shareholder. As at the Latest Practicable Date, none of the Directors and the chief executive of the Company and their respective associates hold any Shares and to the extent that any of the Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of his/her/their Shares at the date of SGM, they are required to abstain from voting in favour of the ordinary resolution to approve the grant of Issue Mandate at the SGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising of Mr. Lee Ho Yiu, Thomas, Mr. Tse Yuen Ming and Ms. Liu Jianyi, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the grant of Issue Mandate.

We, Goldin Financial Limited, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the grant of Issue Mandate and to make recommendations as to, among others, whether the grant of Issue Mandate is fair and reasonable and as to voting in respect of the relevant resolution at the SGM.

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. We are independent under Rule 17.96 of the GEM Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the grant of Issue Mandate.

BASIS OF OUR ADVICE

In arriving our opinions and recommendations, we have reviewed, inter alia, the annual report of the Company for the year ended 30 June 2016 (the “**Annual Report**”) and the interim report of the Company for the six months ended 31 December 2016 (the “**Interim Report**”). We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors and the management of the Company for which they are solely and wholly responsible, were true, accurate and complete as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We consider that we have been provided with, and that we have reviewed, all currently available information and documents under recent circumstances to enable us to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts or information have/has been withheld by the Directors or management of the Company, are/is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses, affairs or future prospects of the Company. Our opinion was necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendations to the Independent Board Committee and the Independent Shareholders in respect of the grant of Issue Mandate, we have taken into account the following principal factors and reasons:

1. BACKGROUND OF AND REASONS FOR THE GRANT OF ISSUE MANDATE

At the annual general meeting of the Company held on 14 October 2016, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue, allot and deal with up to 159,249,356 Shares, which is equivalent to 20% of the aggregate number of issued Shares as at the date of the resolution was passed. The said 159,249,356 Shares were adjusted to 31,849,871 Shares immediately following the Capital Reorganisation became effective on 4 November 2016.

On 18 November 2016, the Company entered into a placing agreement in relation to the placing of 31,849,871 new Shares (the “**Placing**”). The Placing was completed on 30 November 2016. Accordingly, 31,849,871 new Shares were successfully placed and the net proceeds from the placing amounting to approximately HK\$10.6 million was received by the Company.

As at the Latest Practicable Date, as a result of completion of the Placing, the Existing General Mandate has been fully utilised. As at the Latest Practicable Date, the Company has not refreshed the Existing General Mandate since its utilisation and has to be refreshed to allow the Company to conduct future fund raising activities in the event that the Company is able to identify suitable opportunities, including placing agent(s) or suitable subscriber(s).

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The Group is principally engaged in provision of outdoor advertising on buses and bus stations and television advertising operations in the PRC and event management and marketing services in Hong Kong.

As stated in the Annual Report and the Interim Report, the Group will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group and to enhance the returns to its Shareholders.

With reference to the Interim Report, the Group recorded net liabilities of approximately HK\$104.04 million as at 31 December 2016 while the net liabilities of the Group amounted to approximately HK\$134.33 million as at 30 June 2016. As at 31 December 2016, the Group has maintained a relatively high level of debt as seen from its debt ratio (calculated by dividing the total liabilities by the total assets), which recorded at approximately 3.28 times, indicating that the Group has more debts than its assets and a relatively low financial stability of the Group to meet its debt obligation. We also noted from the Interim Report that as at 31 December 2016, the current liabilities of the Group amounted to approximately HK\$35.95 million while the current assets of the Group amounted to approximately HK\$45.0 million, which is only slightly higher than the Group's current liabilities by approximately HK\$9.05 million. Further, we noticed that the Group's cash and cash equivalents, which are considered the assets with the highest liquidity, amounted to approximately HK\$18.89 million, represent about 41.98% of the Group's total current assets. Given the current cash and cash equivalent position of the Group of approximately HK\$9.26 million as at 30 April 2017, we have enquired into the Company on the future funding requirement of the Group and we were given to understand that as at the Latest Practicable Date, the Company does not have any plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any fund raising activities or precise investment opportunities and has no immediate plan for issue of new Shares under the Issue Mandate. We have also reviewed the working capital forecast prepared by the Company for the period from 1 May 2017 to 30 June 2018 and it is noted that, in the absence of unforeseen circumstances, the Group will maintain a positive cash position during the forecast period primarily through the income generated from its existing operations. Nevertheless, if there shall arise any potential investment opportunities or change of the current circumstances faced by the Group, the Company does not rule out the possibility to conduct equity and/or other fund raising exercises to support such future development of the Group which may utilise the Issue Mandate. Therefore, we consider that the grant of Issue Mandate would equip the Group with an additional financing option to satisfy any funding requirements timely as and when potential investment opportunities arise which is in the interests of the Company and the Shareholders as a whole.

In view of that (i) the Existing General Mandate has already been utilised in full; (ii) future funding needs for new businesses and investment opportunities may arise at any time before the next annual general meeting of the Company which will only be held until around late October 2017, which is around six months from the date of this circular; (iii) the net liability position and the

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relatively high debt ratio currently maintained by the Group may limit its ability to obtain bank borrowings and otherwise the Group may need to bear additional interest expense which will further weaken its financial position; and (iv) the grant of Issue Mandate will strengthen the capital base of the Company and it is conducive and reasonable for the Company to maintain its financial flexibility in the selection of the best method(s) of financing for its future funding needs arising from potential investment opportunities which is in line with the overall strategy of the Group, we consider that the grant of Issue Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Set out below are the fund raising activities of the Company in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of net proceeds	Actual use of net proceeds
18 November 2016 (Completed on 30 November 2016)	Placing of 31,849,871 new shares at a placing price of HK\$0.35 per placing share	HK\$10.6 million	For repayment of an outstanding loan of the Group	Used as intended
12 August 2016 (Completed on 24 October 2016)	Placing of 159,249,356 new shares at a placing price of HK\$0.1 per placing share	HK\$12.22 million	The total net proceeds of the placing of shares and the placing of CB will be used for general working capital of the Group	Used as intended
12 August 2016 and 19 September 2016 (Completed on 7 November 2016)	Placing of CB with an aggregate principal amount of HK\$25 million	HK\$23.74 million		

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Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date. Notwithstanding that the Company has carried out various fund raising activities in the past 12 months, taking into account that (i) the proceeds raised from such fund raising activities have already been utilised in full; and (ii) the grant of Issue Mandate would provide more flexibility and financing options to the Group for future investment when opportunities arise, we consider the grant of Issue Mandate is in the interests of the Company and the Shareholders as a whole.

3. OTHER FINANCING ALTERNATIVES

With reference to the Letter from the Board, the Directors consider that equity fund raising such as rights issue and open offer usually take more than three months to complete and such lengthy process may fail to enable the Company to grasp any potential investment opportunities in a timely manner. In addition, rights issue and open offer will incur higher cost such as underwriting commission and involve additional administrative work for the trading arrangements. Apart from equity fund raising, the Directors also consider that debt financing such as bank borrowings will incur interest burden to the Group and may be subject to lengthy due diligence and negotiations with the relevant banks during the credit evaluation procedures. In addition, any issuance of new shares under specific mandate will be subject to the shareholders' approval requirement under the Listing Rules which will impose uncertainties and is time-consuming.

While the refreshment of the grant of Issue Mandate will inevitably result in certain dilution impact to the existing Shareholders (as further discussed in the below section headed **"4. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY"**), taking into account that fund raising exercise pursuant to a general mandate does not incur any interest expenses on the Group and is less time-consuming than other types of fund raising exercises (such as debt financing, rights issue and/or open offer and issue of new shares under specific mandate) and provides the Company with an additional financing method (without restricting its ability to conduct rights issue and/or open offer) which enables it to raise capital in a more flexible manner to satisfy its funding needs promptly as and when they arise, we concur with the views of the Directors that the grant of Issue mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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4. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Issue Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the SGM), for illustrative and reference purpose:

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the Issue Mandate	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Kuo Yi-Hui	150,000,000	15.03	150,000,000	12.53
Kwok Kai Sing Benny	100,000,000	10.02	100,000,000	8.35
Leung Ka Wei Angela	100,000,000	10.02	100,000,000	8.35
Chan Wah Lit	100,000,000	10.02	100,000,000	8.35
Sub-total	450,000,000	45.09	450,000,000	37.58
Public Shareholders	547,949,099	54.91	547,949,099	45.75
Shares to be issued under the Issue Mandate	—	—	199,589,819	16.67
Total	997,949,099	100.00	1,197,538,918	100.00

Upon full utilisation of the Issue Mandate, a total of 199,589,819 new Shares will be issued, representing 20% of the aggregate number of issued Shares as at the Latest Practicable Date and approximately 16.67% of the aggregate number of issued Shares as enlarged by the Shares issued under the Issue Mandate. Assuming that there are no further issue and/or repurchase of any Shares from the Latest Practicable Date and up to and including the date of the SGM, the aggregate shareholding of the public Shareholders would decrease from approximately 54.91% as at the Latest Practicable Date to approximately 45.75% immediately upon full utilisation of the Issue Mandate, representing a maximum potential dilution of approximately 16.67%.

Notwithstanding the potential dilution impact to the public Shareholders, in view of (i) the utilisation of the Issue Mandate does not incur interest expense on the Group and requires a relatively short period of time to complete; (ii) the shareholding interests in the Company of all the Shareholders will be diluted in proportion to their respective shareholdings in the Company upon any utilisation of the Issue Mandate; and (iii) the grant of Issue Mandate would provide the Group with enhanced financial flexibility to promptly satisfy its funding needs for new businesses and investment opportunities as and when they arise before the next annual general meeting of the Company which is expected to be held in around six months from the Latest Practicable Date, we consider that such

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flexibility arising from the grant of Issue Mandate is beneficial to the Group such that it can respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and the Shareholders as a whole, including but not limited to the development and expansion of its advertising business and such benefit outweighs the dilution impact to the public Shareholders. Accordingly, we are of the view that the potential dilution impact to the public Shareholders arising from the full utilisation of the Issue Mandate is acceptable.

RECOMMENDATION

Having considered the principal factors and reasons set out in this letter, we are of the view that the grant of Issue Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the grant of Issue Mandate. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholdings in the Company upon the utilisation of the Issue Mandate.

Yours faithfully,
For and on behalf of
Goldin Financial Limited
Billy Tang
Director

Note: Mr. Billy Tang is a licensed person registered with the Securities and Futures Commission and a responsible officer of Goldin Financial Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO. He has over 10 years of experience in the corporate finance profession.

NOTICE OF SGM



INNO-TECH HOLDINGS LIMITED

匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

NOTICE IS HEREBY GIVEN that a special general meeting of Inno-Tech Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Thursday, 8 June 2017 at Suite B, 6/F., One Capital Place, 18 Luard Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION

1. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power during or after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above otherwise than

* For identification purpose only

NOTICE OF SGM

- (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; or
 - (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or rights to acquire shares of the Company; or
 - (iv) an issue of shares as scrip dividends pursuant to the bye-laws of the Company, from time to time shall not exceed 20% of the aggregate number of the issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

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“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any relevant jurisdiction).”

By order of the Board
Inno-Tech Holdings Limited
Ha Chuen Yeung
Executive Director

Hong Kong, 23 May 2017

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

*Head office and principal place of
business in Hong Kong:*

Suite B, 6/F
One Capital Place
18 Luard Road
Wan Chai, Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the special general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time scheduled for the special general meeting (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the special general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the special general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.

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5. A form of proxy for use at the special general meeting is attached herewith.
6. Any voting at the special general meeting shall be taken by poll.
7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

As at the date of this notice, the directors of the Company (“**Directors**”) are:

Executive Directors:

Mr. Ha Chuen Yeung
Mr. Lau King Hang
Dr. Chan Yiu Wing
Mr. Mazher Hussain

Independent non-executive Directors:

Mr. Lee Ho Yiu, Thomas
Mr. Tse Yuen Ming
Ms. Liu Jianyi