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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Smart City Development Holdings Limited, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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# **SMART CITY DEVELOPMENT HOLDINGS LIMITED** **智城發展控股有限公司**

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

**(Stock Code: 8268)**

## **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms on this cover page shall have the same meanings as those defined in “Definitions” in this circular.

A letter from the Board is set out on pages 6 to 18 of this circular.

The Company will convene and hold the EGM on Friday, 29 August 2025 at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61-65 Gilman Street and 73 Connaught Road Central, Hong Kong at 5:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 4:30 p.m. on the same day and at the same place). The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.smartcity-d.com](http://www.smartcity-d.com).

If you do not intend to attend the EGM but wish to exercise your right as a Shareholder, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM (i.e. not later than 5:00 p.m. on Wednesday, 27 August 2025 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish.

*This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.smartcity-d.com](http://www.smartcity-d.com) for at least 7 days from the date of its posting.*

7 August 2025

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, 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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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 18 July 2025 in relation to the Disposal
“associates” or “close associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of directors of the Company
“Building Department”	the Building Department of the HK Government
“Business Day”	a day (other than a Saturday and Sunday or any day during which typhoon no. 8 signal (or above) or “black” rainstorm warning is hoisted and not lowered by 1:00 p.m. on that day) on which commercial banks in Hong Kong are open for the transaction of general banking business by members of the public
“Company”	Smart City Development Holdings Limited (智城發展控股有限公司) (Stock Code: 8268), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Account”	the unaudited consolidated balance sheet and income statement of the Target Group as at the Completion Date
“Completion Date”	the date of completion of the Disposal, which shall take place on the third (3rd) Business Day after the date on which the last of the conditions precedent is fulfilled under the Sale and Purchase Agreement (or such other date as the Vendor and the Purchaser may agree in writing)
“Completion NAV”	100% of the unaudited consolidated NAV of the Target Group as at the Completion Date
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the aggregate consideration payable for the Sale Share, which shall be an amount equivalent to the Completion NAV
“Corporate Guarantee”	the corporate guarantee dated 15 August 2024 executed by the Company in favour of NCB to cover general banking facilities from time to time and at any time granted or to be granted by NCB to DDL

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## DEFINITIONS

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“DDL”	Deson Development Limited (迪臣發展有限公司), a company incorporated under the laws of Hong Kong with limited liability, which is a direct wholly-owned subsidiary of the Target Company and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date, and will cease to be a member of the Remaining Group upon Completion
“DEL Facilities”	the facilities (being the import invoice financing product facility) allowed to be co-used by Deson Engineering under the NCB Facility Letter. As at the Latest Practicable Date, Deson Engineering had not utilised and will not utilise such facilities
“Deposit”	the deposit in the sum of HK\$2,000,000 paid by the Purchaser upon signing of the Sale and Purchase Agreement
“Deson Engineering”	Deson Engineering Limited (迪臣工程有限公司), a limited liability company incorporated in Hong Kong on 15 August 2001, which is an indirect wholly-owned subsidiary of the Company and a member of the Remaining Group upon Completion
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share in accordance with the terms and conditions of the Sale and Purchase Agreement
“EGM”	an extraordinary general meeting of the Company to be held on Friday, 29 August 2025 at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61-65 Gilman Street and 73 Connaught Road Central, Hong Kong at 5:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 4:30 p.m. on the same day and at the same place) to consider and, if appropriate, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder in the notice of meeting which is set out on pages EGM-1 to EGM-2 of this circular, or any adjournment thereof
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“HK Government”	the government of Hong Kong
“Hong Kong or HKSAR”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the GEM Listing Rules
“KEL Facilities”	the facilities (being the letter of credit, trust receipts, import invoice financing product and letter of guarantee facilities) allowed to be co-used by Kenworth Engineering under the NCB Facility Letter. As at the Latest Practicable Date, Kenworth Engineering had not utilised and will not utilise such facilities
“Kenworth Engineering”	Kenworth Engineering Limited (堅穩工程有限公司), a limited liability company incorporated in Hong Kong on 30 June 1922, which is an indirect wholly-owned subsidiary of the Company and a member of the Remaining Group upon Completion
“Latest Practicable Date”	4 August 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Minor Works Regulations”	Building (Minor Works) Regulation (Chapter 123N of the Laws of Hong Kong)
“NAV”	with respect to an entity, the aggregate value of the total assets of that entity and its subsidiaries, less the aggregate value of the total liabilities (for the avoidance of doubt such total liabilities shall exclude all contingent liabilities arising in the normal course of business) of that entity and its subsidiaries
“NCB”	means Nanyang Commercial Bank, Limited
“NCB Facility Letter”	means NCB’s facility letter dated 12 March 2025 for the granting of general banking facilities (comprising overdraft, letter of credit, trust receipts, import invoice financing product, revolving loan and letter of guarantee facilities) to DDL of up to HK\$40,000,000, of which the letter of credit, trust receipts, import invoice financing product, revolving loan and letter of guarantee facilities are allowed to be co-used by Kenworth Engineering and Deson Engineering provided that the outstanding balance under (i) these facilities owing by DDL, (ii) the KEL Facilities owing by Kenworth Engineering, and (iii) the DEL Facilities owing by Deson Engineering, shall not at any time exceed HK\$35,000,000

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## DEFINITIONS

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“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Mr. Lau Tai Wah Gilbert, an Independent Third Party
“Remaining Group”	the Group excluding the Target Group assuming Completion had taken place
“Sale and Purchase Agreement”	the Sale and Purchase Agreement entered into between the Vendor and the Purchaser on Friday, 18 July 2025 in relation to the Disposal
“Sale Share”	the 1 share of the Target Company, representing the entire issued share capital of the Target Company as at the Latest Practicable Date and immediately prior to the Completion
“Second Tranche Payment”	the payment in the sum of HK\$28,000,000 to be paid by the Purchaser on the Completion Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the shares of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the GEM Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC as amended from time to time
“Target Company”	Colton Ventures Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date and will cease to be a member of the Remaining Group upon Completion
“Target Group”	Target Company and DDL, which will cease to be a member of the Remaining Group upon Completion

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## DEFINITIONS

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“Vendor” Latest Ventures Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company

“%” per cent



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## LETTER FROM THE BOARD

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# SMART CITY DEVELOPMENT HOLDINGS LIMITED 智城發展控股有限公司

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

**(Stock Code: 8268)**

*Executive Directors:*

Mr. Hung Kenneth

Ms. Wong Tsz Ki

*Independent non-executive Directors:*

Mr. Wong Yuk Lun Alan

Mr. Lam Wai Hung

Ms. Au Shui Ming Anna

*Registered office in*

*the Cayman Islands:*

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Principal place of business in*

*Hong Kong:*

11th Floor, Nanyang Plaza

57 Hung To Road

Kwun Tong

Kowloon

Hong Kong

7 August 2025

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO  
THE DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL  
OF THE TARGET COMPANY  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcement pursuant to which the Board announced that on 18 July 2025, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Share, representing the entire issued share capital of the Target Company.

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## LETTER FROM THE BOARD

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As one or more of the relevant applicable percentage ratios in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder is more than 25% but less than 75%, the Sale and Purchase Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the reporting, announcement and Shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Sale and Purchase Agreement and the Disposal; (ii) the financial information of the Group; (iii) other information as required under the GEM Listing Rules; and (iv) a notice convening the EGM together with the proxy form.

### THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

**Date** 18 July 2025

**Parties** (1) The Vendor; and  
(2) The Purchaser. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Purchaser is an Independent Third Party.

### Subject matter

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Share, being 1 share of the Target Company, representing the entire issued share capital of the Target Company.

### Consideration and payment terms

The Consideration for the Sale Share was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms and shall be equal to the Completion NAV.

The Completion NAV will be determined based on the Completion Accounts prepared as at the Completion Date in accordance with Hong Kong Financial Reporting Standards. The unaudited NAV of the Target Group as at 31 March 2025 was approximately HK\$37.5 million. The Consideration is payable by the Purchaser to the Vendor in cash in the following manner:

- (i) a sum of HK\$2,000,000 was paid to the Vendor as Deposit and part payment towards the Consideration, on the date of the Sale and Purchase Agreement;
- (ii) a sum of HK\$28,000,000 (being the Second Tranche Payment) shall be paid to the Vendor on the Completion Date; and
- (iii) the balance of the Consideration (if any) shall be payable by the Purchaser to the Vendor within 5 Business Days after the agreement or determination of the Completion Accounts and the completion NAV statement in accordance with the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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Where the Completion NAV of the Target Group is higher than the aggregate amount of the Deposit and the Second Tranche Payment paid by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement, the Purchaser shall pay the balance of Consideration pursuant to (iii) above.

Where the Completion NAV of the Target Group is lower than the aggregate amount of the Deposit and the Second Tranche Payment paid by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement, the Vendor shall refund any difference between (a) the Completion NAV of the Target Group and (b) the aggregate amount of the Deposit and the Second Tranche Payment to the Purchaser within 5 Business Days after the agreement or determination of the Completion Accounts and the Completion NAV statement in accordance with the Sale and Purchase Agreement.

### **Conditions precedent**

Completion is subject to and conditional upon the following conditions precedent being satisfied:

- (a) the shareholders' approval of the Company approving the entering into by the Vendor of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained in accordance with the requirements of the GEM Listing Rules or any other applicable laws or regulations;
- (b) certain licences set out in the Sale and Purchase Agreement (including without limitation the licence in Building Category Group C of the List of Approved Contractor of DDL for public works) remain valid and not being revoked;
- (c) the removal of the KEL Facilities and DEL Facilities under the NCB Facility Letter so that the facilities thereunder shall be exclusively used by DDL; or the written confirmation from NCB being obtained, confirming (a) that there are no outstanding amounts under the KEL Facilities and DEL Facilities on the Completion Date; and (b) that both the KEL Facilities and DEL Facilities are frozen permanently;
- (d) the approval-in-principle of NCB for the release of Corporate Guarantee after the Completion Date being obtained;
- (e) the Vendor having good title to the Sale Share free from all encumbrances of whatsoever nature and other adverse claims;
- (f) the transfer of 1 Class A voting share in DDL held by the Vendor to the Target Company being completed and the amendment to article 53 of the articles of association of DDL being made and filed at the Companies Registry of Hong Kong;
- (g) the completion of a satisfactory due diligence review in relation to each of the Target Company and DDL to such extent as the Purchaser may in its reasonable discretion thinks fit;
- (h) the warranties remaining true and accurate and not misleading in all material respects as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date; and

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## LETTER FROM THE BOARD

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- (i) no event or circumstance shall have occurred in respect of or in connection with the affairs of the Company and/or which has or will have a material adverse effect.

If the conditions precedent of the Sale and Purchase Agreement are not fulfilled on or before 31 October 2025 (or such other date as the Vendor and the Purchaser may mutually agree in writing), the Sale and Purchase Agreement shall thereupon become terminated and cease to be of effect and the Vendor shall return, or procure the return of, the Deposit (without interest) to the Purchaser. None of the conditions precedent is waivable.

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

### **Completion**

Upon fulfillment of all conditions precedent, Completion shall take place on the Completion Date.

### **INFORMATION ON THE GROUP**

The Company is an investment holding company. The Group is principally involved in the following business activities: (i) acting as a contractor in the construction business to provide building construction works, electrical and mechanical engineering works and alterations, addition, renovation, refurbishment and fitting-out works, mainly in Hong Kong; (ii) investment in marketable securities; (iii) investment in properties; and (iv) money lending.

### **INFORMATION ON THE REMAINING GROUP**

Upon Completion, the Remaining Group is principally involved in the following business activities: (i) acting as a contractor in the construction business to provide electrical and mechanical engineering (“E&M”) works and alterations, addition, renovation, refurbishment and fitting-out works, mainly in Hong Kong; (ii) investment in marketable securities; (iii) investment in properties; and (iv) money lending. As at the Latest Practicable Date, the Remaining Group had a total of 60 employees in Hong Kong, of which a majority of them are in the construction business, being 43 employees in E&M works and 5 employees in fitting-out works, and the remaining 12 employees were involved in businesses other than the construction business.

#### **(i) Construction business**

##### **(1) E&M works**

The Remaining Group may serve as main contractor or sub-contractor for E&M works through its subsidiary, Kenworth Engineering. The Remaining Group’s main responsibilities involve the following three major sub-types:

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## LETTER FROM THE BOARD

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(a) *Electrical services*

Electrical services generally cover the design, supply, installation and maintenance of power supply systems, lighting system and earthing systems. The Remaining Group also ensures that such systems meet both client specifications and relevant safety standards. It also assists in the installation of armoured cables, electrical wiring and trunking, supply and installation of switchboards, power outlets, lighting systems and related electrical equipment and accessories.

(b) *Air-conditioning, heating and ventilation engineering services*

These services generally cover the supply, installation and maintenance of air-conditioning, heating, mechanical ventilation and exhaust air systems. It also provides pipe-works, ductworks, air conditioning units, ventilation fans and associated accessories.

(c) *Fire services*

Fire services generally cover the supply, installation and maintenance of fire prevention and fire-fighting systems like sprinklers, fire hydrants, hose reels, fire detectors and alarms and gas extinguishing systems. The Remaining Group also ensures such systems meet relevant fire safety standards.

As at the Latest Practicable Date, Kenworth Engineering was on 11 categories of the “List of Approved Suppliers of Materials and Specialist Contractors for Public Works” under the Development Bureau of the HK Government including but not limited to Air-conditioning Installation (Group II), Fire Services Installation (Group II), Electrical Installation (Group III); and was also the Registered Specialist Contractor (Ventilation works category) and Minor Works Class III Type E Contractor under the Building Department. As at the Latest Practicable Date, the customers of Kenworth Engineering are generally HK Government as well as large corporations including construction companies that usually act as main contractor in Hong Kong.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Kenworth Engineering had 192 projects on hand with an outstanding contract sum of approximately HK\$980.5 million. The following table sets out the major projects on hand involving E&M works with an outstanding contract sum exceeding HK\$100 million:

Description of customer	Nature of services	Outstanding contract sum <i>HK\$ million</i>	Commencement date	Contract duration
HK Government	Term contract for the alterations, additions, maintenance and repair of buildings and lands and other properties (Central, Peak and Mid-Levels) – Building services installation (HVAC & electrical works)	136.9	April 2025	48 months
HK Government	Term contract for the alterations, additions, maintenance and repair of buildings and lands and other properties (Hong Kong Island Eastern and Outlying Islands (South)) – Building services installation (HVAC & electrical works)	230.6	April 2025	48 months
HK Government	Term contract for the alterations, additions, maintenance and repair of buildings and lands and other properties (Tuen Mun and Yuen Long) – Building services installation (HVAC & electrical works)	106.2	April 2025	48 months
Hospital Authority	Term contract for minor works 2024 (building services installation) (Kowloon East Cluster) – HVAC & electrical works	203.8	December 2024	36 months
HK Government	Triennial term contract for operation and maintenance of electrical, mechanical and other installation at Marine Ferry Terminals, Government Dockyard, Kai Tak Cruise Terminal and Municipal Venues of HK Government	105.1	March 2024	36 months

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## LETTER FROM THE BOARD

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### (2) *Fitting-out works*

The Remaining Group may serve as a main contractor or sub-contractor for alterations, addition, renovation, refurbishment and fitting-out works in Hong Kong through its subsidiary Deson Engineering. Its main responsibilities consist of construction works involving (i) interior decorative and modification, removal or installation of furniture, fixtures and equipment works; (ii) minor works (such as repair works, alteration and addition works, demolition, signboard, drainage works, finishes works and works relating to structures for amenities of buildings based on the specifications set out in the Minor Works Regulation); (iii) changes in external facade works; and (iv) repair and maintenance works.

As at the Latest Practicable Date, Deson Engineering was a Registered Minor Works Contractor (company) for Class I, Class II and Class III with the Buildings Department. As at the Latest Practicable Date, the customers of Deson Engineering are generally HK Government and large corporations such as retail shop operators, construction companies and luxurious house owners in Hong Kong.

As at the Latest Practicable Date, Deson Engineering had 3 projects on hand with an outstanding contract sum of approximately HK\$211.7 million. The following table sets out the major project on hand involving fitting-out works with an outstanding contract sum exceeding HK\$100 million:

Description of customer	Nature of services	Outstanding contract sum <i>HK\$ million</i>	Commencement date	Contract duration
HK Government	Provision of electric locks security system	192.6	May 2025	48 months

### (ii) **Investment in marketable securities**

As at the Latest Practicable Date, the Remaining Group managed a portfolio of listed equity and unlisted debt investments with an aggregate fair value of approximately HK\$9.0 million, which are classified as financial assets at fair value through profit or loss. The Remaining Group derives (i) an unrealised gain or loss on fair value change of listed equity and unlisted debt investments; (ii) a realised gain or loss on these equity and unlisted debt investments; (iii) interest income from the unlisted debt investments; and (iv) dividend income from equity investments.

## LETTER FROM THE BOARD

As at the Latest Practicable date, the significant investments of the marketable securities segment of the Remaining Group were as follows:

					Approximate percentage of equity investments at fair value through profit and loss %	
	Stock/ Fund code	Place of incorporation	Unrealised fair value gain/(loss) HK\$'000	Market value HK\$'000		
Note						
Listed equity investments						
Individual investment less than 5% of net assets the Group			(316.0)	6,202.7	68.8	
Unlisted debt investments						
JPMorgan Asian Total Return Bond (Mth)	1	HK0000102936	Hong Kong	(1,192.0)	2,808.0	31.2
			(1,508.0)	9,010.7	100.0	

*Note:*

- The investment objective of the fund is to achieve a competitive total return, consisting of capital growth and regular dividend income, through an actively managed portfolio investing primarily in Asian bonds and other debt securities.



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## LETTER FROM THE BOARD

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### (iii) Investment in properties

As at the Latest Practicable Date, the Remaining Group had two investment properties (being commercial offices in Tsim Sha Tsui and North Point) in Hong Kong which it generates rental income as revenue as follows:

Location	Attributable interest of the Group	Group's tenure	Current use	Lease term	Gross floor area
A commercial office at Rightful Centre, No 12 Tak Hing Street, Tsim Sha Tsui, Kowloon, Hong Kong	100%	The properties are held for a term expiring on 8 October 2051	Commercial	Long term	863 sq.ft.
A commercial office at Max Share Centre, No. 373 King's Road, North Point, Hong Kong	100%	The properties are held for a term expiring on 5 September 2071	Commercial	Long term	658 sq. ft.

### (iv) Money lending

As at the Latest Practicable Date, the Remaining Group through its wholly-owned subsidiary, Yellow Rivers Consultants Services Limited, held a money lender licence issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and it generates interest income from loan facility as revenue. For the year ended 31 March 2025, the range of interest rate on the Remaining Group's fixed rate loans receivable was 8% to 12% per annum. The Remaining Group's money lending services are generally provided to individual and corporate borrowers that have short-term funding needs and could provide sufficient collaterals for their borrowings. As at the Latest Practicable Date, the gross carrying amount of loan receivable amounting to HK\$54,375,000 of which HK\$2,500,000 are with personal guarantee.

## INFORMATION ABOUT THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability on 18 June 2014 and is a direct wholly-owned subsidiary of the Company. It is an investment holding company.

## INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, the Target Company, being a direct wholly-owned subsidiary of the Vendor, is an indirect wholly-owned subsidiary of the Company.

DDL is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Target Company. It is engaged in construction business as a main contractor and investment in marketable securities.

## LETTER FROM THE BOARD

Certain key financial information of the Target Group as extracted from its unaudited consolidated financial information for the two years ended 31 March 2025 and the two months ended 31 May 2025 is set out below:

	For the year ended 31 March		For the two months ended 31 May
	2024	2025	2025
	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)
Revenue	217,699	189,476	41,473
Loss before tax	(6,982)	(10,156)	(2,189)
Net loss after tax	(7,196)	(11,995)	(2,189)

The unaudited NAV of the Target Group as at 31 March 2025 and 31 May 2025 was approximately HK\$37.5 million and HK\$35.3 million, respectively.

The Board noted a decreasing trend in the Target Group's revenue for the two years ended 31 March 2025, which is expected to continue up to the Completion Date and may lead to a further decrease in the Completion NAV as compared to the unaudited NAV of the Target Group as at 31 March 2025. The decrease in the unaudited NAV of the Target Group as at 31 May 2025 as compared to the unaudited NAV as at 31 March 2025 was mainly due to the net loss after tax of approximately HK\$2.2 million for the two months ended 31 May 2025 mainly because of the decreasing gross profit margin. The major reasons for such a decrease in gross profit margin are explained below under the paragraph headed "Reasons for and benefits of the Disposal". Save for such changes in the Target Group's revenue in its ordinary course of business, as at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there was and from 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, there had been no material change in the Target Group's unaudited NAV after 31 March 2025.

### INFORMATION ON THE PURCHASER

The Purchaser is an individual who is a businessman resides in Hong Kong. The Group noted from public information that the Purchaser was previously an indirect major shareholder of a construction group principally engaged in the provision of foundation services in Hong Kong, which is listed on the Main Board of the Stock Exchange. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser is an Independent Third Party. The Purchaser was introduced to the Group through a mutual acquaintance, who indicated to a director of the Vendor of the Purchaser's keen interest in possible investment or co-operation opportunities in DDL. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the Disposal.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers the Disposal to be a strategic initiative that aligns with the Group's long term objectives and current market conditions. The financial performance of the Target Group has underperformed over the past two financial years, with net loss after tax of the Target Group increasing from approximately HK\$7,196,000 for the year ended 31 March 2024 to approximately HK\$11,995,000 for the year ended 31 March 2025. The losses were primarily due to the downtrend on both residential and commercial markets in Hong Kong in recent years, which has significantly constrained tender opportunities and has led developers to slow new projects. The reduced number of available jobs in the market has caused extremely keen competition environment in the Hong Kong construction industry. Building construction sector under the construction segment was mostly affected and has suffered from continuing loss in the recent years. Further, increasingly stringent bank credit policies have made securing required performance bonds more difficult. These challenges, coupled with the high working capital demands imposed by the Development Bureau of Hong Kong for licence maintenance, have pressured the Group's financial resources. The Disposal will enable the Group to streamline operations and improve the overall performance of construction segment by focusing resources on E&M and interior fitting-out sectors which are relatively more profitable, while the proceeds will enhance liquidity and financial flexibility of the Group. The Board is of the view that the Disposal provides a good opportunity for the Group to realise its investment in the Target Group and focus its resources to develop its other existing businesses with prospects.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Disposal and the transactions contemplated under the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable, and the Disposal are in the interests of the Company and the Shareholders as a whole.

### FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Upon Completion, the Group will cease to have any shares in the Target Company. As such, the financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

For illustration purposes only, assuming the Completion NAV (i.e. the Consideration) is the same as the unaudited NAV of the Target Group as at 31 March 2025, the net proceeds from the Disposal is expected to be approximately HK\$36.8 million, being the estimated Consideration of approximately HK\$37.5 million less the expenses related to the Disposal of approximately HK\$0.7 million. The Company expects to record a loss on Disposal of approximately HK\$700,000, which amount can only be determined on the Completion Date and is subject to audit. The actual net proceeds from the Disposal depends on the unaudited NAV of the Target Group as at the Completion Date. The net proceeds from the Disposal will be utilised as general working capital of the Group.

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## LETTER FROM THE BOARD

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### IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the relevant applicable percentage ratios in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder is more than 25% but less than 75%, the Sale and Purchase Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the notification, announcement and Shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

Any Shareholder having a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder shall abstain from voting on the resolution(s) to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and therefore, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder under Chapter 19 of the GEM Listing Rules.

### EGM

The EGM will be convened and held at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61–65 Gilman Street and 73 Connaught Road Central, Hong Kong on Friday, 29 August, 2025 at 5:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 4:30 p.m. on the same day and at the same place) to consider and, if thought fit, approve the Disposal and the transactions contemplated under the Sale and Purchase Agreement by way of poll, the results of which will be announced after the EGM. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

### Form of proxy

A form of proxy for use at the EGM is enclosed herewith. Such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<https://www.smartcity-d.com>). Whether or not you intend to be present the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed revoked.

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## LETTER FROM THE BOARD

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### **Voting at the EGM**

Pursuant to the GEM Listing Rules, any Shareholder who has a material interest in the Disposal and his/her/its close associates will abstain from voting on the relevant resolution at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Disposal and the transactions contemplated under the Sale and Purchase Transfer Agreement, and therefore no Shareholder and its/his/her associates would be required to abstain from voting on the resolution to approve the Disposal and the transaction contemplated under the Sale and Purchase Agreement at the EGM.

All resolutions at the EGM shall be conducted by way of poll, and the results of the EGM will be announced by the Company in compliance with Rule 17.47(5) of the GEM Listing Rules. The Company will appoint scrutineers to handle vote-taking procedures at the EGM. The results of the poll will be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.smartcity-d.com](http://www.smartcity-d.com) as soon as possible after the conclusion of the EGM.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 26 August 2025 to 29 August 2025, both days inclusive. During this period, no transfer of Shares will be registered. In order to attend and vote at the EGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 25 August 2025. The record date for ascertaining Shareholders' entitlement to attend and vote at the meeting is Friday, 29 August 2025.

### **RECOMMENDATIONS**

The Directors (including the independent non-executive Directors) believe that the terms of the Sale and Purchase Agreement and the Disposal are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

### **ADDITIONAL INFORMATION**

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

By Order of the Board  
**Smart City Development Holdings Limited**  
**Hung Kenneth**  
*Executive Director*

**1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for each of the three years ended 31 March 2023, 2024 and 2025 are disclosed in the following documents which are published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.smartcity-d.com](http://www.smartcity-d.com).

- (i) Annual report of the Company for the year ended 31 March 2025:  
<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0711/2025071100283.pdf>
- (ii) Annual report of the Company for the year ended 31 March 2024:  
<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0705/2024070500869.pdf>
- (iii) Annual report of the Company for the year ended 31 March 2023:  
<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063000847.pdf>

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 30 June 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had (i) outstanding trust receipts loans of HK\$3,600,000 which were secured by the pledge of the Group's bank deposits and guaranteed by the corporate guarantee of the Company as disclosed below; and (ii) available total banking facilities of HK\$47,400,000. Such banking facilities were secured by:

- (i) the pledge of the Group's unlisted debt investments of HK\$5,875,000;
- (ii) the pledge of the Group's bank deposits of HK\$13,363,000;
- (iii) the pledge of a leasehold land and building situated in Hong Kong owned by an independent third party; and
- (iv) the corporate guarantees of the Company.

**(a) Lease liabilities**

The Group has certain lease contracts for leased equipments. As at 30 June 2025, the Group recognised aggregate lease liabilities of HK\$607,000 under HKFRS 16 “Leases” in respect of non-cancellable operating lease contracts.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the normal course of business, as at the close of business on 30 June 2025, the Group did not have any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

The Directors confirmed that there has been no material adverse change in the indebtedness and contingent liabilities of the Group since 30 June 2025, being the latest practicable date for determining the Group’s indebtedness up to the date of this circular.

**3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group’s principal businesses are (i) acting as a contractor in the building industry operating in Hong Kong where it provides one-stop comprehensive services with the following three major types of services: (a) building construction works and related businesses; (b) E&M works; and (c) alterations, addition, renovation, refurbishment and fitting-out works; (ii) investment in securities, where the Group invests in long term and short term investment in marketable securities; (iii) property investment in Hong Kong, where the Group acquires properties in Hong Kong and earns rental income; and (iv) money lending business.

Developers have slowed down new projects due to the downtrend on both residential and commercial markets in Hong Kong in recent years. Number of jobs available in the market decreased which caused extremely keen competition environment in the Hong Kong construction industry. Building construction sector under the construction segment was mostly affected. Building construction sector under the construction segment has suffered from continuing loss in the recent years. To improve the overall performance of construction segment, the Group has decided to concentrate its resources on E&M works and interior fitting out works within its construction segment.

The Group was included in Building Category Group C of the “List of Approved Contractors for Public Works”, and Turnkey Interior Design and Fitting-out Works Category Group II of the “List of Approved Suppliers of Materials and Specialist Contractors for Public Works” under Development Bureau of the HK Government; the Registered General Building Contractor, the Minor Works Class I Contractor and the Registered Specialist Contractor (Site Formation Works and Foundation Works Categories) under the Buildings Department of the HK Government. For E&M works, the Group was included in 11 categories of the “List of Approved Suppliers of Materials and Specialist Contractors for Public Works” under Development Bureau of the HK Government; and the Registered Specialist Contractor (Ventilation) and Minor Works Class III Type E Contractor under Building Department of the HK Government.

During the financial year ended 31 March 2025, new projects such as (i) three quadrennial term contracts for alterations, additions, maintenance and repair of buildings and lands and other properties for The Architectural Services Department where the designated contract areas are including Central, Peak and Midlevels, Hong Kong Island Eastern, Outlying Islands (South), Tuen Mun and Yuen Long, (ii) quadrennial term contract for provision of electric locks security system in Pik Uk Correctional Institution for Correctional Services Department; (iii) quadrennial term contract for maintenance of fire service installation for Hong Kong Police Force, Correctional Services Department, Drainage Service Department, Fire Service Department, Independent Commission Against Corruption and Security Bureau for Hong Kong Island and Outlying Island, and (iv) E&M works for Sports Centre and Auditorium of Jockey Club One Health Tower at City University of Hong Kong were secured. As at the Latest Practicable Date, the Group has contracts on hand with an outstanding contract sum of approximately HK\$1,370 million (comprising building construction works of approximately HK\$178 million, E&M works of approximately HK\$980 million and interior fitting out works of approximately HK\$212 million).

With the Group's proven track record and adequate expertise, the Directors believe that the Group could strengthen its position in the Hong Kong market and diversify its customer base particularly by attracting larger corporate customers. Regarding the licenses, permits and qualifications of the Group, they are all subject to the continued compliance with various standards relating to financial capability, expertise, past job reference, management and safety requirements. The Development Bureau has in recent years gradually imposed additional requirements to some categories of work licenses which may be essential for retention in the List/Specialist List. The Group will certainly try its best endeavour to satisfy these additional requirements, so that the retention on the List/Specialist List will not be affected. The Group will continue to pursue the following key business strategies: (i) exercise more caution when tendering for new construction contracts and continue to selectively undertake new contracts; (ii) further strengthen the Group's construction department through recruiting additional qualified and experienced staff; and (iii) concentrate on E&M works and interior fitting out works sectors which are relatively more profitable.

#### **4. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the internal financial resources presently available to the Group, the cash flows to be generated from the operating activities, the net proceeds from the Disposal and the available banking facilities, and in the absence of any unforeseeable circumstances, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular. The Group has obtained the relevant confirmation from its auditors as required under Rule 19.66(13) of the GEM Listing Rules.

#### **5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group made up).



## 1. 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### A. Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the company or any associated corporation

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be 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 taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

### B. Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

So far as the Directors and the chief executive of the Company are aware of, as at the Latest Practicable Date, the following persons (other than Directors or chief executives of the Company or their associates) had or deemed to have interests or short positions (if any) in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Company and were recorded in the register of the Company required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP	Beneficial owner	39,715,200	13.79%
Masan Capital Limited	Investment manager (Note 1)	39,715,200	13.79%

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Top Lion International Limited	Interest of a controlled corporation ( <i>Note 1</i> )	39,715,200	13.79%
Like Capital Limited	Beneficial owner	21,157,000	7.35%
Ethnocentric Investment Limited	Interest in controlled corporation ( <i>Note 2</i> )	21,157,000	7.35%
Capital VC Limited	Interest in controlled corporation ( <i>Note 2</i> )	21,157,000	7.35%
Honest Smart Investment Limited	Beneficial owner	17,828,800	6.19%
Ever Wealth Capital Holdings Limited	Interest in controlled corporation ( <i>Note 3</i> )	17,828,800	6.19%
KOALA Financial Group Limited	Interest in controlled corporation ( <i>Note 3</i> )	17,828,800	6.19%
Ngan Chun Wing	Beneficial owner ( <i>Note 4</i> )	15,744,000	5.47%

*Notes:*

- (1) Masan Multi Strategy Fund SPC-Masan HK Equity Fund SP (“**Masan Fund**”) holds a total of 39,715,200 Shares. Masan Fund is wholly-owned by Masan Capital Limited, which in turn wholly owned by Top Lion International Limited, a company incorporated in the British Virgin Islands (“**Top Lion**”). Therefore, Top Lion is deemed, or taken to be, interested in all the Shares held by Masan Fund for the purposes of the SFO.
- (2) Like Capital Limited holds a total of 21,157,000 Shares. Like Capital Limited is wholly-owned by Ethnocentric Investment Limited, which in turn is wholly-owned by Capital VC Limited, a company incorporated in the Cayman Islands. Therefore, Ethnocentric Investment Limited and Capital VC Limited are deemed, or taken to be, interested in all the Shares held by Like Capital Limited for the purposes of the SFO.
- (3) Honest Smart Investment Limited holds a total of 17,828,800 Shares. Honest Smart Investment Limited is wholly-owned by Ever Wealth Capital Holdings Limited, which in turn is wholly-owned by KOALA Financial Group Limited, a company incorporated in the Cayman Islands. Therefore, Ever Wealth Capital Holdings Limited and KOALA Financial Group Limited are deemed, or taken to be, interested in all the Shares held by Honest Smart Investment Limited for the purposes of the SFO.
- (4) Ngan Chun Wing is a director of a subsidiary of the Group.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a Director or chief executive of the Company or a member of the Group) 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 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

As at the Latest Practicable Date, save and except for information above, no other Director nor any parties acting in concert with any of them was interested in any Shares or any convertible securities, warrants, options or derivatives in respect of Shares.

### 3. DIRECTORS' INTERESTS IN SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

### 4. COMPETING INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDER AND CLOSE ASSOCIATES

From 1 April 2024 to 9 January 2025, Mr. Wong Yuk Lun Alan and Mr. Lam Wai Hung had the following interests in the business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business:

Director	Name of company	Nature of business	Nature of interests
Mr. Wong Yuk Lun Alan	*NOVA Group Holdings Limited (Stock Code: 1360) ("NOVA")	Money lending business	Executive director of NOVA
Mr. Lam Wai Hung	*NOVA	Money lending business	Executive director of NOVA

\* listed on the Main Board of the Stock Exchange

Both Mr. Wong and Mr. Lam were resigned as the executive directors of Nova with the effective date on 9 January 2025.

As the Board is independent to the board of directors of NOVA, the Group is capable of carrying on its business independently of, and at arm's length, from the business of NOVA.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the controlling shareholders (as defined in the GEM Listing Rules) and their respective close associates had any interest in any business (apart from the Group's interest) which competes or is likely to compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest which any such person has or may have with the Group (as would be required to be disclosed pursuant to the GEM Listing Rules).

**5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACT OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

**6. AUDIT COMMITTEE**

As at the Latest Practicable Date, the audit committee of the Board comprised three independent non-executive Directors, namely Mr. Lam Wai Hung, Mr. Wong Yuk Lun Alan, and Ms. Au Shui Ming Anna, with Mr. Lam Wai Hung acting as the chairman. The primary duties of the audit committee of the Board are (among other things) to review and supervise the financial reporting process and internal control procedures of the Group.

Biographical information of each member of the audit committee of the Board are set out below:

**Mr. Lam Wai Hung**

Mr. Lam Wai Hung, aged 45, was appointed as an independent non-executive Director of the Company on 29 July 2019. He is also the chairman of the audit committee, the chairman of the internal control committee, a member of the remuneration committee and a member of the nomination committee of the Company. Mr. Lam holds a Bachelor of Arts in Accounting and Finance Degree from Leeds Metropolitan University and is a member of the Association of Chartered Certified Accountants. He had been working in various companies listed on the Stock Exchange. Mr. Lam is currently an independent nonexecutive director of Far East Holdings International Limited (stock code: 36) and Kin Shing Holdings Limited (stock code: 1630), the issued shares of which are listed on the Stock Exchange. Mr. Lam was an executive director of NOVA Group Holdings Limited (stock code: 1360) from 6 April 2023 to 9 January 2025, the issued shares of which is listed on the Stock Exchange. Mr. Lam was an independent non-executive director of Jimu Group Limited (stock code: 8187) from 25 May 2021 to 14 January 2022, the issued shares of which is listed on the Stock Exchange.

**Mr. Wong Yuk Lun Alan**

Mr. Wong Yuk Lun Alan, aged 50, has been appointed as an independent non-executive Director since 29 July 2019. He is also the chairman of the remuneration committee, a member of the internal control committee, a member of the audit committee and a member of the nomination committee of the Company. Mr. Wong graduated from the University of Sunderland with a bachelor's degree in accounting and finance. Mr. Wong had been working with various accounting firms and commercial companies and has over 23 years of experience in merger and acquisitions, financial management, taxation, audit and non-audit services. Mr. Wong is currently an independent non-executive director of Kin Shing Holdings Limited (stock code: 1630), and a non-executive director of China Cultural Tourism and Agriculture Group Limited (formerly known as TFG International Group Limited) (stock code: 542), the issued shares of which are listed on the Stock Exchange. Mr. Wong is also an independent non-executive director of Temir Corp. (stock code: TMRR) since 15 July 2019, the issued shares of which is traded on the OTC Securities Marketplace in the United States of America. Mr. Wong was an executive director of NOVA Group Holdings Limited (stock code: 1360) from 15 July 2020 to 9 January 2025, the issued shares of which is listed on the Stock Exchange. He was also an independent non-executive director of Huisheng International Holdings Limited (stock code: 1340) from 6 July 2017 to 6 February 2024 the issued shares of which is listed on the Stock Exchange.

**Ms. Au Shui Ming Anna**

Ms. Au Shui Ming Anna, aged 61, is an independent nonexecutive Director since 29 July 2019. She is also the chairman of the nomination committee, a member of the audit committee, a member of the remuneration committee and a member of the internal control committee of the Company. Ms. Au holds a bachelor's degree in Commerce, majoring in Accounting, from the University of Wollongong in Australia. She is a Certified Practicing Accountant of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Ms. Au has extensive experience in the finance and accounting fields. She is currently the chief financial officer of New Horizon Finance (HK) Limited. In addition, Ms. Au is currently a director of i-Craftsmen Limited and Smart Education Company Limited. Ms. Au was an independent non-executive director of Jiu Rong Holdings Limited (stock code: 2358) from May 2012 to October 2015, an executive director of China Digital Culture (Group) Limited (stock code: 8175) from July 2007 to June 2013 and an independent non-executive director of OOH Holdings Limited (stock code: 8091) from December 2016 to August 2021.

**7. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by a member of the Group within the two years immediately preceding the issue of this circular, and which are or may be material:

- (a) a supplemental agreement dated 11 March 2024 to the loan agreement dated 15 February 2023 entered into between Volcano Spring International Holdings Limited (formerly known as Miji International Holdings Limited) as the borrower and Yellow River Consultants Services Limited as the lender, pursuant to which Yellow River Consultants Services Limited agreed to renew the loan in the principal amount of HK\$8,000,000 granted to Volcano Spring International Holdings Limited to be repayable on 15 August 2025 at an interest rate of 12% per annum;
- (b) the placing agreement dated 22 August 2024 between the Company and Koala Securities Limited in relation to the placing of 48,000,000 new shares at the placing price of HK\$0.33 per placing share;
- (c) the sale and purchase agreement dated 16 December 2024 entered into between Deson Development Limited and Global Bright Property Limited in relation to the disposal of Flat A, 2nd Floor, Cheung Yick Industrial Building, 12 On Yip Street, Chai Wan, Hong Kong by Deson Development Limited to Global Bright Property Limited at a cash consideration of HK\$15.0 million, payable in tranches; and
- (d) the sale and purchase agreement dated 16 December 2024 entered into between Latest Ventures Limited and Mr. Tjia Boen Sien, in relation to the sale and purchase of (i) the entire issued share capital of Cyber Fortune Ventures Limited; and (ii) the debt owing by Cyber Fortune Ventures Limited and/or its subsidiary, Mark Sino Limited, to Latest Ventures Limited at a cash consideration of HK\$10.0 million (subject to adjustments), payable in tranches.

Save from the above, as at the Latest Practicable Date, no contracts (contracts not being entered into in the ordinary course of business) were entered into by any member of the Group within the two years immediately preceding the issue of this circular and which is or may be material.

**8. MATERIAL LITIGATION**

As at the Latest Practicable Date, (i) there is no winding up petition presented against the Company, (ii) no member of the Group is engaged in any litigation or arbitration of material importance, and (iii) there is no litigation of material importance known to the Directors to be pending against any member of the Group.

**9. MISCELLANEOUS**

- (i) The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350 Grand Cayman, KY1-1108, Caymans Islands.
- (ii) The head office and principal place of business of the Company in Hong Kong is at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (iii) The company secretary of the Company is Mr. Yip To Chun, joined the Company as the financial controller in July 2019 and appointed as the Company Secretary of the Group on 18 March 2022. He is a member of the Hong Kong Institute of Certified Public Accountants and holds a bachelor degree of Business Administration.
- (iv) The principal share registrar and transfer office of the Company is Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park, PO Box 1350 Grand Cayman, KY1-1108 Cayman Islands, and the Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (v) The compliance officer of the Company is Mr. Hung Kenneth, an executive Director of the Company.
- (vi) In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text.

**10. DOCUMENTS ON DISPLAY**

A copy of each of the following documents will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.smartcity-d.com](http://www.smartcity-d.com)) for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “7. Material contracts” in this appendix;
- (c) the annual reports of the Company for the financial years ended 31 March 2023, 2024 and 2025;
- (d) the Sale and Purchase Agreement; and
- (e) this Circular.

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## NOTICE OF EGM

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# SMART CITY DEVELOPMENT HOLDINGS LIMITED

## 智城發展控股有限公司

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

**(Stock Code: 8268)**

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “EGM”) of Smart City Development Holdings Limited (the “Company”) will be held at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61-65 Gilman Street and 73 Connaught Road Central, Hong Kong on Friday, 29 August, 2025 at 5:00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 4:30 p.m. on the same day and at the same place) for considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

1. “**THAT:**

- (i) the disposal by Latest Ventures Limited as vendor of the entire issued and paid-up share capital in Colton Ventures Limited to Mr. Lau Tai Wah Gilbert as purchaser at a total consideration equal to 100% of the unaudited consolidated net asset value of the target group as at the completion date, pursuant to the sale and purchase agreement dated 18 July 2025 (the “**Sale and Purchase Agreement**”, a copy of which has been produced to the meeting and marked “A” and signed by the chairman of the meeting for identification purposes) and all transactions contemplated thereunder be and are hereby approved and ratified; and
- (ii) the directors of the Company be and are hereby authorised to do all such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Sale and Purchase Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the transactions under the Sale and Purchase Agreement and the implementation of all transactions contemplated thereby and thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company.”

By Order of the Board  
**Smart City Development Holdings Limited**  
**Hung Kenneth**  
*Executive Director*

Hong Kong, 7 August 2025



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## NOTICE OF EGM

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*Registered office in the Cayman Islands:*

Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Principal place of business in Hong Kong:*

11th Floor, Nanyang Plaza  
57 Hung To Road  
Kwun Tong  
Kowloon  
Hong Kong

*Notes:*

- (i) A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. On a poll, votes may be given either personally or by proxy.
- (ii) In the case of joint holders, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time of holding the EGM (i.e. not later than 5:00 p.m. on Wednesday, 27 August, 2025, Hong Kong time) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder from attending and voting in person at the EGM (or any adjournment thereof) and, in such event, the form of proxy shall be deemed to be revoked.
- (iv) For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 26 August 2025 to 29 August 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of the shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on 25 August 2025. The record date for ascertaining Shareholders' entitlement to attend and vote at the meeting is Friday, 29 August 2025.
- (v) Pursuant to Rule 17.47(4) of the GEM Listing Rules, the resolution set out in this notice will be voted by poll at the EGM.
- (vi) If typhoon signal no. 8 or above, or a "black" rainstorm warning is in effect any time after 1:00 p.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the websites of the Company at [www.smartcity-d.com](http://www.smartcity-d.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify the shareholders of the Company of the date, time and place of the rescheduled EGM.