
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Li Bao Ge Group Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibilities for the contents of the Prospectus Documents, make no representations as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the sub-section headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Shareholders of the Shares with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of persons with such addresses and beneficial owners of the Shares who are residents outside Hong Kong are referred to the important information set out in the paragraph headed "Rights of Overseas Shareholders" under the sub-section headed "PROPOSED RIGHTS ISSUE" in the "Letter from the Board" of this Prospectus. **This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or Rights Shares or to take up any entitlements to the nil-paid Rights Shares or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.**

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) who comes into possession of this Prospectus should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus will not be registered or filed under any applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



利寶閣

Li Bao Ge Group Limited

利寶閣集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1869)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY FOUR EXISTING SHARES HELD ON THE RECORD DATE

Financial adviser to the Company



英皇融資有限公司
Emperor Capital Limited

Underwriter to the Rights Issue



英皇證券(香港)有限公司
Emperor Securities Limited

Capitalised terms used in this cover have the same meanings as those defined in this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Monday, 11 November 2019. Dealings in the Rights Shares in their nil-paid form will take place from 9:00 a.m. on Wednesday, 27 November 2019 to 4:10 p.m. on Wednesday, 4 December 2019 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter at or before 4:00 p.m. on Thursday, 12 December 2019 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), and/or dealings in the nil-paid Rights Shares, shall bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or the nil-paid Rights Shares are recommended to consult their own professional advisers and exercise caution.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Rescission and Termination of the Underwriting Agreement" of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 9 December 2019. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 17 to 19 of this Prospectus.

25 November 2019

NOTICES

The Rights Issue is conditional, among other matters, upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Rights Issue does not become unconditional, the Rights Issue will not proceed and the Company will make an announcement at the relevant time. It should also be noted that the Shares have been dealt in on an ex-rights basis from Monday, 11 November 2019 and that the nil-paid Rights Shares are expected to be dealt in from 9:00 a.m. on Wednesday, 27 November 2019 to 4:10 p.m. on Wednesday, 4 December 2019 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Shares from 9:00 a.m. on Wednesday, 27 November 2019 to 4:10 p.m. on Wednesday, 4 December 2019 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the nil-paid Rights Shares during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

THIS PROSPECTUS DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE, THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES OR TO TAKE UP ANY ENTITLEMENTS TO THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL. None of the nil-paid Rights Shares, the Rights Shares, this Prospectus, the PAL and the EAF will be registered or filed under the securities laws of any jurisdiction other than in Hong Kong. Accordingly, the nil-paid Rights Shares and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions outside Hong Kong, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions. No persons receiving a copy of the Prospectus or a PAL or an EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome. It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself/themselves before subscribing for the allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any

NOTICES

person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

No application for Rights Shares will be accepted from the Non-Qualifying Shareholders (if any). The Company reserves the right to refuse to accept any application for Rights Shares where it believes that acceptance would violate the applicable securities or other laws or regulations of any jurisdiction outside Hong Kong.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of any person with such addresses and beneficial owners of the Shares who are residents outside Hong Kong (if any) are referred to this section headed “Notices”, and the paragraphs headed “Rights of Overseas Shareholders” under the sub-section headed “PROPOSED RIGHTS ISSUE” in the “Letter from the Board” of this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the nil-paid Rights Shares and/or Rights Shares to have confirmed, that he or she or it is aware of the restrictions on offers and sales of nil-paid Rights Shares and/or Rights Shares as described in this Prospectus.

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RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

If prior to the Latest Time for Termination:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties or undertakings in the Underwriting Agreement was untrue, inaccurate, misleading or breached, or there is any matter which would reasonably be expected to give rise to a material breach or claim, and in each case the same is (in the absolute opinion of the Underwriter) material in the context of the Rights Issue; or
- (B) there shall be:
 - (i) any introduction of any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any event, series of events or circumstances resulting in or likely to result in (whether or not foreseeable) any change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, taxation, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in the PRC, Hong Kong and the Cayman Islands which develop, occur, happen, come into effect, exist or come to the knowledge of the Underwriter;
 - (iii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, any local, national or international event or change of a political, military, financial, economic or other nature, any local, national or international outbreak or escalation of hostilities or armed conflict affecting local securities markets, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in the PRC, Hong Kong and the Cayman Islands;
 - (iv) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs;
 - (v) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

- (vi) any adverse change in the circumstances of the Company or any member of the Group;
- (vii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise;
- (viii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 7 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue or for such events as required under the Listing Rules not caused by any default or breach of the Listing Rules by the Company;
- (ix) the occurrence of any Specified Event which is incapable of being waived by the Underwriter, or
- (x) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which is or are, in the sole and absolute opinion of the Underwriter:-

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue;

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches thereof) and the Rights Issue shall not proceed.

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

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

The Rights Issue is conditional, among other matters, upon fulfillment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” under the sub-section headed “THE UNDERWRITING AGREEMENT” in the “Letter from the Board” of this Prospectus. In particular, the Rights Issue is subject to the Underwriter not terminating or rescinding the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled (and the date of the Underwriter’s right of termination or rescission of the Underwriting Agreement ceases) will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 29 October 2019 in relation to the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bright Creator”	Bright Creator Limited (暉緯有限公司), a company incorporated in Hong Kong on 9 June 2000 with limited liability which is owned as to 50% and 50% by Mr. Chan and his spouse Ms. Liu Siu Kuen respectively, and one of the Controlling Shareholders
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented and modified from time to time
“Company”	Li Bao Ge Group Limited (利寶閣集團有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1869)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules

DEFINITIONS

“Controlling Shareholder(s)”	the controlling shareholder(s) (having the meaning ascribed to it in the Listing Rules) of the Company, including Bright Creator, Mr. Chan and his spouse Ms. Liu Siu Kuen, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, in such usual form as may be agreed between the Company and the Underwriter
“Emperor Securities” or “Underwriter”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	Tuesday, 29 October 2019, being the last trading day of the issued Shares on the Stock Exchange before the release of the Announcement
“Latest Lodging Date”	Tuesday, 12 November 2019 or such other date as the Underwriter and the Company may agree, being the latest time for lodging transfer of Shares in order to be qualified for the Rights Issue
“Latest Practicable Date”	19 November 2019, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Monday, 9 December 2019 or other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 12 December 2019, being the third Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Underwriter in writing
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Chun Kit, one of the Controlling Shareholders, an executive Director, the chairman of the Board and the chief executive officer of the Company
“Mr. Lam”	Mr. Lam Kwok Leung Peter, one of the Controlling Shareholders, an executive Director and the compliance officer of the Company
“Mr. Wong”	Mr. Wong Ka Wai, an executive Director
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Director(s), based on the enquiry made or legal advice obtained, consider it necessary or expedient not to offer the Rights Shares to such Overseas Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	this prospectus containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Monday, 25 November 2019 or such other date as may be agreed in writing between the Underwriter and the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders, if any
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Friday, 22 November 2019 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every four (4) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions in the Underwriting Agreement and as set out in the Prospectus Documents
“Rights Share(s)”	new Share(s) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)

DEFINITIONS

“Sky Gain”	Sky Gain Investments Limited (天盈投資有限公司), a company incorporated in Hong Kong on 21 October 2005 with limited liability which is owned as to 37.5%, 37.5% and 25% by Mr. Chow Yiu Pong David, Mr. Chow Chor Ting Anthony and Mr. Tam Chie Sang respectively. Mr. Chow Yiu Pong David is an executive Director
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Shares
“Specified Event”	an event occurring or matter arising on or after the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties and/or undertakings contained in the relevant provision of the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.238 per Rights Share
“Sun Foo Sing”	Sun Foo Sing Development Limited (新富星發展有限公司), a company incorporated in Hong Kong on 24 August 2001 with limited liability which is owned as to 50%, 25%, 10%, 7.5% and 7.5% by Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi respectively, and one of the Controlling Shareholders
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 29 October 2019 entered into between the Company and the Underwriter (as amended by a side letter dated 19 November 2019) in respect of the Rights Issue
“Underwritten Shares”	76,787,500 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

DEFINITIONS

“Undertakings”	the irrevocable undertakings dated the date of Underwriting Agreement given by Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain respectively in favour of the Company and the Underwriter among other things, to subscribe for their respective full entitlement of the Rights Shares
“Whitewash Waiver”	a waiver from the Executive Director of the Corporate Finance Division of the SFC (or any of his delegate(s)) pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Controlling Shareholders to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Controlling Shareholders and any parties acting in concert with it
“%”	per cent.

EXPECTED TIMETABLE

All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out below and all dates and deadlines specified in the Prospectus Documents for events in the timetable for (or otherwise in relation to) the Rights Issue are for indicative purpose only. The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.

Event	Date (Hong Kong Time)
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 27 November 2019
Latest time for splitting of PALs	4:30 p.m. on Friday, 29 November 2019
Latest time of dealings in nil-paid Rights Shares	4:10 p.m. on Wednesday, 4 December 2019
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Monday, 9 December 2019
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Thursday, 12 December 2019
Announcement of the allotment results of the Rights Issue. . . .	Monday, 16 December 2019
Despatch of refund cheques for wholly or partially unsuccessful applications for excess Rights Shares on or before	Tuesday, 17 December 2019
Despatch of certificates for the fully-paid Rights Shares on or before	Tuesday, 17 December 2019
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Wednesday, 18 December 2019

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” caused by super typhoons; or
3. a “black” rainstorm warning
 - (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the currently scheduled date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as possible.

LETTER FROM THE BOARD



Li Bao Ge Group Limited **利寶閣集團有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1869)

Executive Directors:

Mr. Chan Chun Kit (*Chairman of the Board and Chief Executive Officer*)
Mr. Lam Kwok Leung Peter
Mr. Wong Ka Wai
Mr. Chow Yiu Pong David

Registered Office:

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Independent Non-executive Directors:

Mr. Liu Chi Keung
Prof. Wong Lung Tak Patrick
Mr. Tam Tak Kei Raymond

Head Office and Principal Place of Business in Hong Kong:
Room 2702, Tower 2
Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

25 November 2019

To the Qualifying Shareholders, and, for information only, the Non-Qualifying Shareholders (if any)

Dear Sirs,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY FOUR EXISTING SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement, pursuant to which the Board announced that the Company proposed to implement the Rights Issue on the basis of one Rights Share for every four existing Shares held on the Record Date at the Subscription Price of HK\$0.238 per Rights Share, to raise gross proceeds of HK\$47.6 million (assuming no further issue or repurchase of Shares on or before the Record Date), before expenses. From the date of the Announcement and up to 13 November 2019, being the date the register of members of the Company closed for determining entitlement under the Rights Issue, no issue or repurchase of Shares has been conducted. As such, the total number of Shares qualified for the Rights Issue is 800,000,000 Shares and the total number of Rights Shares to be issued will be 200,000,000 Rights Shares.

LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement, save for the Rights Shares which have been irrevocably and unconditionally undertaken to take up in the Undertakings, the Underwritten Shares were fully underwritten by the Underwriter on the terms and subject to the conditions set out therein.

As at the date of the Announcement and as at the Latest Practicable Date, Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain beneficially owns 301,225,120 Shares, 13,350,000 Shares, 59,324,960 Shares, 300,000 Shares, 59,324,960 Shares, and 59,324,960 Shares respectively, the number of Rights Shares to which Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain are respectively entitled under the Rights Issue are 75,306,280 Rights Shares, 3,337,500 Rights Shares, 14,831,240 Rights Shares, 75,000 Rights Shares, 14,831,240 Rights Shares and 14,831,240 Rights Shares respectively.

Each of Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain has irrevocably and unconditionally undertaken in the Undertakings in favour of the Company and the Underwriter, among other things, (i) to subscribe or procure the subscription of the Rights Shares which will respectively constitute their allotment of Rights Shares in respect of the Shares beneficially owned by them respectively pursuant to the terms of the Rights Issue; (ii) the Shares beneficially owned by them respectively will remain registered in their respective name(s) at the close of business on the Record Date as they are on the date of the Undertakings; (iii) to procure that the acceptances in respect of their respective Rights Shares shall be lodged with the Registrar or the Company, with payment in full therefor in cash by no later than the Latest Time for Acceptance or such later date as the Company may agree in writing; (iv) not to dispose of or transfer any Shares, or any interests therein, in any manner up to and including two Business Day after the Latest Time for Acceptance; and (v) not to acquire or subscribe for any Rights Shares (either in nil-paid or fully-paid forms) in excess of their respective entitlements according to their respective shareholdings in the Company as at the Record Date.

Accordingly, assuming no further issue or repurchase of Shares on or before the Record Date, the Controlling Shareholders will not trigger a general offer obligation as a result of the Rights Issue and no Whitewash Waiver will be applied for.

The purpose of this Prospectus is to provide you with, among others things, further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, together with the financial and other information of the Group.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of HK\$47.6 million (assuming no further issue or repurchase of Shares on or before the Record Date) before expenses, by way of the Rights Issue of 200,000,000 Rights Shares to the Qualifying Shareholders at the Subscription Price of HK\$0.238 per Rights Share.

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every four (4) existing Shares held on the Record Date
Subscription Price	:	HK\$0.238 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	800,000,000 Shares
Number of Rights Shares	:	200,000,000 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Aggregate nominal value of the Rights Shares to be issued	:	HK\$2,000,000 (assuming no further issue or repurchase of Shares on or before the Record Date)
Number of Shares in issue upon completion of the Rights Issue	:	1,000,000,000 Shares (assuming no further issue or repurchase of Shares on or before the date of completion of the Rights Issue)
Amount to be raised	:	gross proceeds of HK\$47.6 million (assuming no further issue or repurchase of Shares on or before the Record Date) before expenses

The Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the Latest Practicable Date.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represents 25% of the Company's issued share capital as at the Record Date and 20% of the Company's issued share capital as enlarged by the Rights Issue. The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities,

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warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every four (4) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment shall be made by completing a PAL and lodging the same with remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholder

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by 4:30 p.m. on Tuesday, 12 November 2019. The last day of dealing in the Shares on a cum-rights basis was Friday, 8 November 2019 and the Shares have been dealt in on an ex-rights basis from Monday, 11 November 2019.

Qualifying Shareholders who take up their pro rata entitlements in full will not suffer any dilution to their shareholding interests in the Company (save for any dilution as a result of fractional entitlements to Rights Shares which will not be provisionally allotted to them). If Qualifying Shareholders do not take up their entitlement under the Rights Issue in full, their proportionate shareholdings in the Company will be diluted.

It is expected that the Company will send the Prospectus Documents, including the Prospectus, the PAL and the EAF, to the Qualifying Shareholders on Monday, 25 November 2019. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send the Prospectus to the Non-Qualifying Shareholders (if any) for their information only.

Rights of Overseas Shareholders

Overseas Shareholders on the Record Date may not be eligible to take part in the Rights Issue as explained below.

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The Prospectus Documents have not been and will not be registered or filed under any applicable securities legislation of any jurisdiction other than Hong Kong. Save as described hereunder, no action has been taken by the Company to permit the offering of the Rights Issue in any territory outside Hong Kong.

According to the register of members of the Company as at the Latest Practicable Date, the Company did not have any Overseas Shareholders whose addresses are located outside Hong Kong. Accordingly, there is no Non-Qualifying Shareholders.

If as at the Record Date, there are any Overseas Shareholders, the Company should comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders. If based on legal opinions provided by the legal adviser(s) to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to such Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. If any Overseas Shareholders are excluded from the Rights Issue, the Company will send copies of the Prospectus to such Non-Qualifying Shareholders for their information only, but will not send any PALs or EAFs to them. The results of the enquiries and the basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue, should be set out in this Prospectus.

If as at the Record Date, there are any Non-Qualifying Shareholders, arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day of dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The net proceeds of such sale, less expenses, will be paid pro rata to the Non-Qualifying Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be made available for excess application on EAFs by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution and consult their professional advisers when dealing in the Shares.

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Fractional entitlements

The entitlements of Qualifying Shareholders will be rounded down to the nearest whole number and fractional entitlements to Rights Shares will not be provisionally allotted to the Shareholders. The nil-paid Rights Shares representing the aggregate of all the fractions of Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee or nominees appointed by the Company and, if a premium (net of expenses) can be obtained, will be sold by the nominee or nominees on the Company's behalf in the market as soon as practicable after the commencement of dealing in the nil-paid Rights Shares and the net proceeds of such sale will be retained by the Company for its own benefit. Any Rights Shares in respect of the unsold fractional entitlements will first be made available for valid excess applications by the Qualifying Shareholders and the balance (if any) will be underwritten by the Underwriter. No odd lot matching services will be provided.

Procedures for acceptance and payment and/or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance (rounded up to the nearest 2 decimal places), with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 9 December 2019. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "LI BAO GE GROUP LIMITED – PAL" and crossed "ACCOUNT PAYEE ONLY". The benefit of any rounding adjustments will be retained by the Company.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Monday, 9 December 2019 (or, under bad weather and/or extreme conditions, such later time and/or date as mentioned in the sub-section headed "EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES" in the section headed "Expected Timetable" of this Prospectus), whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

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Completion and return of the PAL will constitute a warranty and representation to the Company, from such person, that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities legislations or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representation or warranty.

If a Qualifying Shareholder wish to transfer all of his/her/its rights to subscribe for the Rights Shares provisionally allotted to his/her/its, the Qualifying Shareholder must complete and sign the “FORM OF TRANSFER AND NOMINATION” in the PAL and hand the PAL to the transferee(s) or through whom the Qualifying Shareholder are transferring his/her/its rights. The transferee(s) must then complete and sign the “REGISTRATION APPLICATION FORM” in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance (rounded up to the nearest two decimal places) with the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, so as to be received by the Registrar by not later than 4:00 p.m. on Monday, 9 December 2019 (or, under bad weather and/or extreme conditions, such later time and/or date as mentioned in the sub-section headed “EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES” under the section headed “Expected Timetable”). All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**LI BAO GE GROUP LIMITED – PAL**” and crossed “**ACCOUNT PAYEE ONLY**”.

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or transfer part/all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 29 November 2019 with the Registrar, who will cancel the original PAL and issue new PAL(s) in the denominations required. The new PAL(s) will be available for collection at the Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier’s orders will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier’s order will constitute a warranty by such person that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the

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accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment of Rights Shares and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" under the sub-section headed "THE UNDERWRITING AGREEMENT" is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Thursday, 12 December 2019 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Tuesday, 17 December 2019.

Application and payment for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for:

- (i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders had they been Qualifying Shareholders (if applicable);
- (ii) aggregation of fractions of the Rights Shares which are not sold (if any); and
- (iii) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares (if any).

Applications for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares (if any) at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. No preference will be given to top up odd lots to whole board lots. It should be noted that the lodging of the EAF does not assure the Qualifying Shareholder of being allocated any Rights Shares in excess of those of his/her/its provisional allotments.

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

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held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name(s) of the beneficial owner(s) prior to the Latest Lodging Date.

Shareholders whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Tuesday, 12 November 2019.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for (rounded up to the nearest 2 decimal places) with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 9 December 2019. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**LI BAO GE GROUP LIMITED – EXCESS APPLICATION ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**". The benefit of any rounding adjustments will be retained by the Company. The Registrar will notify the relevant Qualifying Shareholders of any allotment of Rights Shares made to them.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Tuesday, 17 December 2019. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus remittance without interest is also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at his/her/its own risk by the Registrar on or before Tuesday, 17 December 2019.

All cheques and cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the

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relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” under the sub-section headed “THE UNDERWRITING AGREEMENT” is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Thursday, 12 December 2019 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 17 December 2019.

Action to be taken by beneficial owners whose Shares are held by a registered owner (other than Shares deposited in CCASS)

If you are a beneficial owner whose Shares are registered in the name of a registered owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the registered owner and provide the registered owner with instructions or make arrangements with the registered owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the registered owner in order to allow the registered owner sufficient time to ensure that your instructions are given effect. You should consult your professional adviser if in doubt.

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Action to be taken by beneficial owners holding interests in Shares through CCASS

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your intermediary and provide your intermediary with instructions or make arrangements with your intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested. You should consult your professional adviser if in doubt.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your intermediary in order to allow your intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to beneficial owners who have been admitted to participate in CCASS as investor participants shall be in accordance with HKSCC’s “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial owners who have been admitted to participate in CCASS as investor participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such beneficial owners’ interests in Rights Shares should be dealt with.

Subscription Price

The Subscription Price is HK\$0.238 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 10.19% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 8.32% to the theoretical ex-rights price of HK\$0.2596 per Share based on the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day;

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- (c) a discount of approximately 9.85% to the average closing price of HK\$0.264 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 9.85% to the average closing prices of HK\$0.264 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and
- (e) a discount of approximately 4.80% to the closing price of HK\$0.250 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined by the Directors and the Underwriter with reference to prevailing Share price and the market environment. After taking into consideration the reasons for the Rights Issue as stated in the sub-section headed “INFORMATION ON THE GROUP, REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” below, the Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net subscription price per Rights Share will be approximately HK\$0.228.

Dilution effect

Despite the Rights Issue will potentially result in a theoretical dilution effect (with the meaning ascribed to it in Rule 7.27B of the Listing Rules) of approximately 2.04%, being the discount of the theoretical diluted price (as defined in *note 1(a)* under Rule 7.27B of the Listing Rules) of HK\$0.2596 to the benchmarked price (as defined in *note 1(b)* under Rule 7.27B of the Listing Rules) of HK\$0.265, the Directors consider that the interests of the Qualifying Shareholders will not be prejudiced given that:

- (a) the Rights Issue provides the Qualifying Shareholders an opportunity to subscribe for their pro rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount to the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day;
- (b) the dilution nature of Rights Issue is common in the market in case the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, whereas the Qualifying Shareholders who choose to accept the Rights Issue in full are able to maintain their respective existing shareholding interests in the Company after the Rights Issue (save for any dilution as a result of fractional entitlements to Rights Shares which will not be provisionally allotted to them); and

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- (c) the Qualifying Shareholders who do not take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to make excess applications for additional Rights Shares and/or acquire additional nil-paid Rights Shares in the market.

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at Shareholders' own risk on or before Tuesday, 17 December 2019. If the Rights Issue is terminated or if any application for excess Rights Shares is not successful or only partial successful, refund cheques, without interest, in respect of the relevant portion of application monies received are expected to be posted by ordinary post at Shareholders' own risk to registered addresses of respect Shareholders on or before Tuesday, 17 December 2019.

Each Shareholder (except HKSCC Nominees Limited) will receive one share certificate for all allotted Rights Shares.

Application for listing and dealing arrangements

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms. No part of the securities of the Company is listed or dealt in or for which listing or permission to deal in is being or is proposed to be sought on any other stock exchange (other than the Stock Exchange). The nil-paid Rights Shares shall have the same board lot size as the Shares (i.e. 10,000 Shares in one board lot).

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and

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settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders (if any), their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

THE UNDERWRITING AGREEMENT

On 29 October 2019 (after trading hours of the Stock Exchange), the Company and the Underwriter entered into the Underwriting Agreement in respect of the underwriting arrangement for the Rights Issue. The principal terms of the Underwriting Agreement are as follows:

Date : 29 October 2019

Underwriter : Emperor Securities

The Underwriter is a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons.

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- Total number of Rights Shares underwritten by the Underwriter : 76,787,500 Rights Shares (having taken into account the irrecoverable Undertakings from Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong, and Sky Gain and assuming no Shares will be issued or repurchased by the Company on or before the Record Date)
- Commission : The Underwriter shall receive 3% of the aggregate Subscription Price of the respective maximum number of Underwritten Shares underwritten by it

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors considers that the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Underwriter) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter has agreed to subscribe or procure the subscription for all Underwritten Shares that are not otherwise taken up.

Irrevocable Undertakings from Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain

As at the date of the Announcement and as at the Latest Practicable Date, Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain beneficially owns 301,225,120 Shares, 13,350,000 Shares, 59,324,960 Shares, 300,000 Shares, 59,324,960 Shares, and 59,324,960 Shares respectively, the number of Rights Shares to which Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain are respectively entitled under the Rights Issue are 75,306,280 Rights Shares, 3,337,500 Rights Shares, 14,831,240 Rights Shares, 75,000 Rights Shares, 14,831,240 Rights Shares and 14,831,240 Rights Shares respectively.

Each of Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain has irrevocably and unconditionally undertaken in the Undertakings in favour of the Company and the Underwriter, among other things, (i) to subscribe or procure the subscription of the Rights Shares which will respectively constitute their allotment of Rights Shares in respect of the Shares beneficially owned by them respectively pursuant to the terms of the Rights Issue; (ii) the Shares beneficially owned by them respectively will remain registered in their respective name(s) at the close of business on the Record Date as they are on the date of the Undertakings; (iii) to procure that the acceptances in respect of their respective Rights Shares shall be lodged with the Registrar or the Company, with payment in full therefor in cash by no later than the Latest Time for Acceptance or such later date as the Company may agree in writing; (iv) not to dispose of or transfer any Shares, or any interests therein, in any manner up to and including

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two Business Day after the Latest Time for Acceptance; and (v) not to acquire or subscribe for any Rights Shares (either in nil-paid or fully-paid forms) in excess of their respective entitlements according to their respective shareholdings in the Company as at the Record Date.

Accordingly, assuming no further issue or repurchase of Shares on or before the Record Date, the Controlling Shareholders will not trigger a general offer obligation as a result of the Rights Issue and no Whitewash Waiver will be applied for.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) the passing of all necessary resolution(s) by the Board to approve the Rights Issue;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only, on or before the Prospectus Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of dealing in the nil-paid Rights Shares (or such other date as may be agreed between the Company and the Underwriter in writing), and such listing and permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (v) each condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than the business day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination

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from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;

- (vii) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time for Termination;
- (viii) the compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement by the times specified;
- (ix) the compliance with and performance of all the undertakings and obligations by the relevant party under each of the Undertakings by the times specified; and
- (x) all relevant approvals having been obtained from all relevant governmental authorities (where applicable) as the case may require in connection with the Rights Issue by the relevant time that such consent and approval is required and such approvals not being withdrawn or revoked prior to the Latest Time for Termination.

The conditions as set out in (i), (ii), (iii), (iv), (v), (vi), (vii), (ix), and (x) (where applicable) are incapable of being waived. In the event of the said conditions not being fulfilled or waived on or before the respective dates aforesaid, being no later than 12 December 2019, or such later date or dates as may be agreed between the Company and the Underwriter in writing, or if the Underwriting Agreement shall be rescinded pursuant to the terms in the Underwriting Agreement, all obligations and liabilities of the parties to the Underwriting Agreement shall forthwith cease and determine and no party shall have any claim against the other (save for any antecedent breaches thereof).

As at the Latest Practicable Date, condition (i) of the Rights Issue has been satisfied.

Rescission and Termination of the Underwriting Agreement

If prior to the Latest Time for Termination:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties or undertakings in the Underwriting Agreement was untrue, inaccurate, misleading or breached, or there is any matter which would reasonably be expected to give rise to a material breach or claim, and in each case the same is (in the absolute opinion of the Underwriter) material in the context of the Rights Issue; or

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(B) there shall be:

- (i) any introduction of any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
- (ii) any event, series of events or circumstances resulting in or likely to result in (whether or not foreseeable) any change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, taxation, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in the PRC, Hong Kong and the Cayman Islands which develop, occur, happen, come into effect, exist or come to the knowledge of the Underwriter;
- (iii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, any local, national or international event or change of a political, military, financial, economic or other nature, any local, national or international outbreak or escalation of hostilities or armed conflict affecting local securities markets, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in the PRC, Hong Kong and the Cayman Islands;
- (iv) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs;
- (v) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
- (vi) any adverse change in the circumstances of the Company or any member of the Group;
- (vii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise;

LETTER FROM THE BOARD

- (viii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 7 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue or for such events as required under the Listing Rules not caused by any default or breach of the Listing Rules by the Company;
- (ix) the occurrence of any Specified Event which is incapable of being waived by the Underwriter, or
- (x) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which is or are, in the sole and absolute opinion of the Underwriter:–

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue;

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter hereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches thereof) and the Rights Issue shall not proceed.

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SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Shareholders have taken up the Rights Shares		Assuming only Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain take up their Rights Shares and the Underwriter take up all the Underwritten Shares	
	No. of Approximate Shares	Approximate %	No. of Approximate Shares	Approximate %	No. of Approximate Shares	Approximate %
Bright Creator (Notes 1&3)	301,225,120	37.65%	376,531,400	37.65%	376,531,400	37.65%
Mr. Chan (Notes 1&3)	13,350,000	1.67%	16,687,500	1.67%	16,687,500	1.67%
Sun Foo Sing (Notes 2&3)	59,324,960	7.42%	74,156,200	7.42%	74,156,200	7.42%
Mr. Lam (Notes 2&3)	300,000	0.04%	375,000	0.04%	375,000	0.04%
Mr. Wong (Note 4)	59,324,960	7.42%	74,156,200	7.42%	74,156,200	7.42%
Sky Gain (Note 5)	59,324,960	7.42%	74,156,200	7.42%	74,156,200	7.42%
Universal Palm Limited (Note 6)	23,540,000	2.94%	29,425,000	2.94%	23,540,000	2.35%
Prof. Wong Lung Tak Patrick (Note 7)	4,250,000	0.53%	5,312,500	0.53%	4,250,000	0.42%
Ms. Yuen Wan Yee Betty (Note 7)	100,000	0.01%	125,000	0.01%	100,000	0.01%
Subtotal	520,740,000	65.10%	650,925,000	65.10%	643,952,500	64.40%
Public Shareholders						
The Underwriter, sub-underwriter(s) and/or subscriber(s) procure by it	–	–	–	–	76,787,500	7.68%
Other Public Shareholders	279,260,000	34.90%	349,075,000	34.90%	279,260,000	27.92%
TOTAL	800,000,000	100.00%	1,000,000,000	100.00%	1,000,000,000	100.00%

Notes:

- Bright Creator beneficially owns 301,225,120 Shares. Mr. Chan and his spouse Ms. Liu Siu Kuen respectively owns 50% issued shares of Bright Creator. Mr. Chan beneficially owns 13,350,000 Shares. Mr. Chan is an executive Director, the chairman of the Board and the chief executive officer of the Company.
- Sun Foo Sing beneficially owns 59,324,960 Shares. Each of Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi owns 50%, 25%, 10%, 7.5% and 7.5% issued shares of Sun Foo Sing, respectively. Mr. Lam beneficially owns 300,000 Shares. Mr. Lam is an executive Director and the compliance officer of the Company.
- Bright Creator, Mr. Chan and his spouse Ms. Liu Siu Kuen, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi are parties acting in concert.
- Mr. Wong beneficially owns 59,324,960 Shares. Mr. Wong is an executive Director.

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5. Sky Gain beneficially owns 59,324,960 Shares. Each of Mr. Chow Yiu Pong David, Mr. Chow Chor Ting Anthony and Mr. Tam Chie Sang owns 37.5%, 37.5% and 25% issued shares of Sky Gain, respectively. Mr. Chow Yiu Pong David is an executive Director.
6. Universal Palm Limited beneficially owns 23,540,000 Shares. Mr. Tsang Chiu Chun owns 100% issued shares of Universal Palm Limited. Mr. Tsang Chiu Chun is the director of a subsidiary of the Company.
7. Prof. Wong Lung Tak Patrick beneficially owns 4,250,000 Shares and Ms. Yuen Wan Yee Betty, the spouse of Prof. Wong Lung Tak Patrick, beneficially owns 100,000 Shares. Prof. Wong Lung Tak Patrick is an independent non-executive Director.

INFORMATION ON THE GROUP, REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is a Chinese restaurant group recognised for delivering Cantonese cuisine and Chinese banquet and dining services. It also offers Thai cuisine under a newly-established brand.

The Directors consider that the Rights Issue will provide an opportunity to raise capital for the Company whilst strengthening the capital base and the financial position of the Company. Accordingly, the Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The gross proceeds and net proceeds from the Rights Issue will be HK\$47.6 million and approximately HK\$45.6 million respectively (assuming no further issue or repurchase of Shares on or before the Record Date). The net proceeds of the Rights Issue are intended to be applied as to (i) approximately HK\$7.5 million for the repayment of the Group's indebtedness and interest expenses; (ii) approximately HK\$20.5 million for the payment of renovation and refurbishment costs incurred for recently opened restaurants and other existing restaurants; and (iii) approximately HK\$17.6 million for the general working capital for the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any other equity fund raising activities during the 12 months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the Listing Rules.

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

The Rights Issue is conditional, among other matters, upon fulfillment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” under the sub-section headed “THE UNDERWRITING AGREEMENT” in this “Letter from the Board” of this Prospectus. In particular, the Rights Issue is subject to the Underwriter not terminating or rescinding the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled (and the date of the Underwriter’s right of termination or rescission of the Underwriting Agreement ceases) will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

ADDITIONAL INFORMATION

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

By order of the Board
Li Bao Ge Group Limited
Chan Chun Kit
Chairman

A. FINANCIAL INFORMATION

The published audited consolidated financial statements of the Group for the three years ended 31 December 2016, 2017 and 2018 are disclosed in the annual reports of the Company for the three years ended 31 December 2016, 2017 and 2018. The unaudited consolidated results of the Company for the six months ended 30 June 2019 is disclosed in the interim report of the Company for the six months ended 30 June 2019. The aforesaid annual reports and interim report of the Company are available on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.starofcanton.com.hk>).

Set out below are links to the relevant annual reports and interim report of the Company:

- (a) Annual report of the Company for the year ended 31 December 2016:

<https://www1.hkexnews.hk/listedco/listconews/gem/2017/0330/gln20170330445.pdf>

- (b) Annual report of the Company for the year ended 31 December 2017:

<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0213/gln20180213087.pdf>

- (c) Annual report of the Company for the year ended 31 December 2018:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0402/ltn20190402649.pdf>

- (d) Interim report of the Company for the six months ended 30 June 2019:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0923/ltn20190923419.pdf>

B. INDEBTEDNESS**Statement of indebtedness*****Borrowings***

At the close of business on 30 September 2019, being the latest practicable date on which such information was available to us, the Group had outstanding borrowings of approximately HK\$14.1 million, which represented (i) bank loans of approximately HK\$8.2 million secured by approximately HK\$11 million pledged bank deposits provided by the Group; (ii) unsecured bank overdrafts of approximately HK\$0.9 million; and (iii) amount due to a director of HK\$5 million.

An aggregate of approximately HK\$9.1 million of the bank loans and bank overdrafts of the Group as at 30 September 2019 denoted (i) and (ii) in the above was guaranteed by the Company.

Finance lease

As at 30 September 2019, a finance lease liability of approximately HK\$0.1 million was secured by a motor vehicle of the Group.

Lease liabilities

The Group has adopted HKFRS 16 Leases using a modified retrospective approach on 1 January 2019. The Group applies HKFRS 16 to contract that were previously identified as leases under Hong Kong Accounting Standard 17 Leases and uses the exemptions allowed by the standard on short-terms and lease contracts whose lease terms end within 12 months as of the date of the initial application. The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates and measures the right-of-use assets at an amount equal to the lease liabilities, adjusted by any prepaid or accrued lease payments. As at 30 September 2019, the Group has current and non-current liabilities amounting to HK\$60.5 million and HK\$145.6 million, respectively.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables, the Group did not, as at the close of business on 30 September 2019, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loan or other similar indebtedness, liabilities under acceptances or acceptance credit, debentures, hire purchase commitments, mortgages and charges, material contingent liabilities or guarantees outstanding. The Directors confirmed that (i) there has not been any material change in the indebtedness and contingent liabilities since 30 September 2019 and up to the Latest Practicable Date; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants during the Period; (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

C. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including banking facilities and other internal resources, and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save for the loss attributable to owners of the Company of approximately HK\$9.4 million recorded for the six months ended 30 June 2019 and the key risk exposures and uncertainties faced by the Group as detailed in the Section F "FINANCIAL AND TRADING PROSPECTS OF THE GROUP" below, the Directors confirmed that there had not been any material adverse change in the financial or trading position or prospects of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up. For details of the loss recorded by the Group for the six months ended 30 June 2019, please refer to the interim report of the Company for the six months ended 30 June 2019.

E. BUSINESS AND FINANCIAL REVIEW

For the six months ended 30 June 2019, the Group recorded a loss attributable to owners of the Company of approximately HK\$9.4 million, whereas the Group recorded a profit attributable to owners of the Company of approximately HK\$5.7 million for the six months ended 30 June 2018.

Such loss-making position for the six months ended 30 June 2019, representing a decrease in net profit by approximately HK\$15.1 million as compared to the corresponding period in 2018, was mainly due to the combined effects (before the effect of adoption of HKFRS 16 “Leases” which does not have cash flow impact) of (i) the incurring of aggregate operating losses of approximately HK\$8.6 million in respect of the Group’s restaurant operations in Hong Kong (excluding the Kwun Tong Restaurant and the Thai (Mongkok) Restaurant which were opened in December 2018 and June 2019 respectively and not applicable for the corresponding period in 2018) as compared to an aggregate operating profit of approximately HK\$2.0 million for the corresponding period in 2018; (ii) the incurring of aggregate operating losses of approximately HK\$2.2 million in respect of the Kwun Tong Restaurant and the Thai (Mongkok) Restaurant during their initial stages of operations; (iii) the decrease in aggregate operating profit of the Group’s restaurant operations in Shenzhen, the PRC by approximately HK\$6.6 million; and (iv) the incremental loss effect of approximately HK\$1.2 million (i.e. the recognition of depreciation on right-of-use assets and interest expenses on lease liabilities for the current period as compared to the recognition of operating lease expenses for the corresponding period in 2018) upon the adoption of HKFRS 16 “Leases”; which were partly offset by (v) that there were listing expenses of approximately HK\$1.8 million incurred for the six months ended 30 June 2018 while there was no such expense incurred for the current period; and (vi) the decrease in income tax expenses by approximately HK\$1.6 million.

F. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Due to the uncertainties of the Hong Kong and China economies, the Directors anticipate that the Group’s business will face various challenges in the foreseeable future. The Group’s key risk exposures and uncertainties, include, among others, (i) the worsening of the Hong Kong and China economies as a result of the intensifying and increasingly gloominess of the situation of the China-US trade war which negatively affected the consumption sentiments of the general public and consequently affected the retail and catering sectors; and (ii) the recent series of demonstrations in Hong Kong against an extradition bill proposed by the Hong Kong government seriously affected the retail and catering sectors, including certain regions where the Group operates.

Nonetheless, the management of the Company is optimistic that the Group can succeed and enhance the shareholders’ value in the medium to long run, based on the years of experience of the senior management of the Company in managing Chinese restaurant business in Hong Kong and Shenzhen, the PRC and its business strategies as detailed below.

The operations of the Kwun Tong Restaurant and the Thai (Mongkok) Restaurant, which were opened in December 2018 and June 2019 respectively, are expected to be gradually put on track. Although both restaurants incurred operating losses during the six months ended 30 June 2019, the Directors consider their financial performance would be improved in the rest of 2019.

Besides, the restaurant premises of the Group's another new Chinese restaurant, namely the Shenzhen One Avenue Restaurant was handover to the Group for commencing renovation in June 2019. Consequently, the Directors currently expect that the Shenzhen One Avenue Restaurant would commence operation around the fourth quarter of 2019.

Going forward, the Group's objective is to become a reputable multi-brand restaurant group with a diverse customer base in Hong Kong and the PRC to provide Cantonese and Jingchuanhu cuisines, Chinese banquet and dining services for large-scale events, as well as other non-Chinese cuisines. Other than the new Thai (Mongkok) Restaurant, the Group currently does not have specific plan for opening other non-Chinese cuisine restaurants. Given that it is the Group's business philosophy to offer quality food and services at reasonable prices under an elegant and comfortable dining environment, the Group would target to capture the mid-to-high end spending customers when considering the opening of any new non-Chinese cuisine restaurants in the future, in order to maintain the Group's positioning in the mid-to-high end catering market. The Group will continue to utilise its available resources to implement its business strategies, namely, expansion in Hong Kong with multi-brand strategy, progressive expansion in the PRC market, continuing promotion of brand image and recognition through marketing initiatives, enhancement of existing restaurant facilities and strengthening of staff training aiming to attract more new customers. The Group will also consider the expansion of its catering business into other types of cuisines when opportunities arise, taking into account the Group's available resources, with the aim of optimizing the return to its Shareholders.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2019. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2019 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 30 June 2019	Unaudited consolidated net tangible assets of the Group attributable to the equity shareholders of the Company per Share as at 30 June 2019	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group upon completion of the Rights Issue attributable to the equity shareholders of the Company as at 30 June 2019	Unaudited pro forma adjusted consolidated net tangible assets of the Group upon completion of the Rights Issue attributable to the equity shareholders of the Company per Share as at 30 June 2019
	HK\$'000 Note 1	HK\$ Note 2	HK\$'000 Note 3	HK\$'000	HK\$ Note 4
Rights Issue of 200,000,000 Rights Shares at subscription price of HK\$0.238 per Rights Share	97,144	0.1214	45,600	142,744	0.1427

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 30 June 2019 is calculated based on the consolidated net assets of the Group of approximately HK\$97,144,000 including right-of use assets of approximately HK\$135,124,000 which were recognised under HKFRS 16 as extracted from the published interim report of the Group for the period ended 30 June 2019.
- The calculation of consolidated net tangible assets of the Group attributable to the equity shareholders of the Company per share is based on 800,000,000 Shares in issue as at 30 June 2019.
- The estimated net proceeds from the Rights Issue are calculated based on 200,000,000 Rights Shares to be issued at the subscription price of HK\$0.238 per Rights Share and after deduction of the estimated related expenses which are directly attributable to the Rights Issue of approximately HK\$45,600,000.
- The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company per Share immediately after completion of the Rights Issue is calculated based on 1,000,000,000 Shares which comprise 800,000,000 Shares in issue as at 30 June 2019 and 200,000,000 Rights Shares expected to be issued on the completion of the Rights Issue as at 30 June 2019.
- No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2019.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
INCLUDED IN A PROSPECTUS**

The following is the text of the independent reporting accountant's assurance report, prepared for the purpose of inclusion in this Prospectus, received from independent reporting accountants, Ting Ho Kwan & Chan CPA Limited, Certified Public Accountants, Hong Kong in respect of the unaudited pro forma financial information of the Group.



丁何關陳會計師事務所有限公司

TING HO KWAN & CHAN CPA LIMITED

9th Floor, Tung Ning Building, 249-253 Des Voeux Road Central, Hong Kong
香港德輔道中249-253號東寧大廈九樓

To the Directors of Li Bao Ge Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Li Bao Ge Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2019 and related notes (the “Unaudited Pro Forma Financial Information”) as set out in Section A of Appendix II to the prospectus issued by the Company dated 25 November 2019 (the “Prospectus”) in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the rights issue on the Group's financial position as at 30 June 2019 as if the proposed rights issue had taken place at 30 June 2019. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the interim period ended 30 June 2019, on which no audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 of Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 30 June 2019 would have been as presented.

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

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Our Independence and Quality Control

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

We apply Hong Kong Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ting Ho Kwan & Chan CPA Limited

Certified Public Accountants

Chan Shu Kin

Practising Certificate Number P01297

Hong Kong

25 November 2019

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL**(i) Share capital as at the Record Date**

<i>Authorised:</i>	<i>HK\$</i>
<u>2,000,000,000</u> Shares	<u>20,000,000</u>
 <i>Issued and fully paid or credited as fully paid:</i>	
<u>800,000,000</u> Shares	<u>8,000,000</u>

(ii) Immediately following the completion of the Rights Issue

<i>Authorised:</i>	<i>HK\$</i>
<u>2,000,000,000</u> Shares	<u>20,000,000</u>
 <i>Issued and fully paid or credited as fully paid:</i>	
800,000,000 Shares in issue as at the Latest Practicable Date	8,000,000
<u>200,000,000</u> Rights Shares to be allotted and issued under the Rights Issue	<u>2,000,000</u>
<u>1,000,000,000</u> Shares in issue immediately upon completion of the Rights Issue	<u>10,000,000</u>

All the Rights Shares to be issued will rank pari passu in all respect with each other, including, in particular, as to dividends, voting rights and return of capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

3. DIRECTORS' INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 in which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code of Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long Positions in the Shares

Name of Director	Capacity/Nature	Number of shares held/ interested in	Approximate percentage of shareholding
Mr. Chan	Interest in a controlled corporation (<i>Note 1</i>)	301,225,120	37.65%
	Interests held jointly with other persons (<i>Note 2</i>)	59,624,960	7.45%
	Beneficial owner	13,350,000	1.67%
Mr. Wong	Beneficial owner	59,324,960	7.42%
Mr. Chow Yiu Pong David ("Mr. David Chow")	Interest in a controlled corporation (<i>Note 3</i>)	59,324,960	7.42%

Name of Director	Capacity/Nature	Number of shares held/ interested in	Approximate percentage of shareholding
Mr. Lam	Interests held jointly with other persons (<i>Note 2 and 4</i>)	373,900,080	46.74%
	Beneficial owner	300,000	0.04%
Prof. Wong Lung Tak Patrick	Beneficial owner	4,250,000	0.53%
	Interest of spouse	100,000	0.01%

Notes:

1. Mr. Chan owns 50% of Bright Creator, which in turn owns approximately 37.65% of the entire issued share capital of the Company. As such, Mr. Chan is deemed, or taken to be, interested in all the Shares held by Bright Creator for the purposes of the SFO. Mr. Chan is a director of Bright Creator Limited.
2. Mr. Chan and Mr. Lam (together with Ms. Liu Siu Kuen, Bright Creator, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Ms. Tsui Yuk Yi and Mr. Tsui Chi Kit) are parties acting in concert (having the meaning ascribed to it under the Code on Takeovers and Mergers) pursuant to the concert party deed, the supplemental deed and the second supplemental deed dated 25 September 2015, 6 June 2016 and 8 October 2019, respectively. As such, Mr. Chan and Mr. Lam (together with Ms. Liu Siu Kuen, Bright Creator, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Ms. Tsui Yuk Yi and Mr. Tsui Chi Kit) together control approximately 46.78% of the entire issued share capital of the Company.
3. Mr. David Chow owns 37.5% issued shares of Sky Gain, which in turn owns approximately 7.42% of the entire issued share capital of the Company.
4. Mr. Lam owns 10% issued shares of Sun Foo Sing, which in turn owns approximately 7.42% of the entire issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required (i) 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 in which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS

None of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there were no existing or proposed service contracts between the Directors and any member of the Group which were not determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Insofar as known to the Directors, as at the Latest Practicable Date, other than the interests of the Director or chief executive of the Company who had interests or short positions in the shares or underlying shares of the Company, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follows:

Name	Capacity/Nature	Number of shares held/ interested in	Approximate percentage of shareholding
Bright Creator	Interests held jointly with other persons (<i>Note 1</i>)	72,974,960	9.12%
	Beneficial owner	301,225,120	37.65%
Ms. Liu Siu Kuen	Interests held jointly with other persons (<i>Note 1</i>)	59,624,960	7.45%
	Interest in a controlled corporation (<i>Note 2</i>)	301,225,120	37.65%
	Interest of spouse (<i>Note 2</i>)	13,350,000	1.67%
Sun Foo Sing	Interests held jointly with other persons (<i>Note 1</i>)	314,875,120	39.36%
	Beneficial owner (<i>Note 3</i>)	59,324,960	7.42%

Name	Capacity/Nature	Number of shares held/ interested in	Approximate percentage of shareholding
Mr. Ho Wood Yam	Interests held jointly with other persons (<i>Note 1</i>)	314,875,120	39.36%
	Interest in a controlled corporation (<i>Note 3</i>)	59,324,960	7.42%
Mr. Tsui King Foo	Interests held jointly with other persons (<i>Notes 1 and 3</i>)	374,200,080	46.78%
Ms. Tsui Yuk Yi	Interests held jointly with other persons (<i>Notes 1 and 3</i>)	374,200,080	46.78%
Mr. Tsui Chi Kit	Interests held jointly with other persons (<i>Notes 1 and 3</i>)	374,200,080	46.78%
Sky Gain	Beneficial owner	59,324,960	7.42%
Mr. Chow Chor Ting Anthony	Interest in a controlled corporation (<i>Note 4</i>)	59,324,960	7.42%
Ms. Lau Lai Ngor	Interest of spouse (<i>Note 5</i>)	59,324,960	7.42%
Ms. Lau Ngar Ching Angel	Interest of spouse (<i>Note 6</i>)	59,324,960	7.42%
Ms. Lui Wai Har	Interest of spouse (<i>Note 7</i>)	374,200,080	46.78%
Ms. Cho Sin Sum Fion	Interest of spouse (<i>Note 8</i>)	59,324,960	7.42%
Ms. Chan Bik Yuk Mariana	Interest of spouse (<i>Note 9</i>)	374,200,080	46.78%
Mr. Fong Man Wai	Interest of spouse (<i>Note 10</i>)	374,200,080	46.78%
The Underwriter	Underwriter (<i>Note 11</i>)	76,787,500	7.68%
Emperor Capital Group Limited	Interest in a controlled corporation (<i>Note 11</i>)	76,787,500	7.68%
Albert Yeung Capital Holdings Limited	Interest in a controlled corporation (<i>Note 11</i>)	76,787,500	7.68%

Name	Capacity/Nature	Number of shares held/ interested in	Approximate percentage of shareholding
TAS Trust (Jersey) Limited	Trustee (<i>Note 11</i>)	76,787,500	7.68%
Dr. Yeung Sau Shing, Albert	Founder of a discretionary trust (<i>Note 11</i>)	76,787,500	7.68%
Ms. Luk Siu Man, Semon	Interest of spouse (<i>Note 11</i>)	76,787,500	7.68%
Sincere Expand Limited	Beneficial interest (<i>Note 12</i>)	53,530,000	6.69%
Richmax Investment (H.K.) Limited	Interest in a controlled corporation (<i>Note 12</i>)	53,530,000	6.69%
Mr. Cheung Yuen Chau	Interest in a controlled corporation (<i>Note 12</i>)	53,530,000	6.69%
Mr. David Chu	Interest in a controlled corporation (<i>Note 12</i>)	53,530,000	6.69%
Ms. Tsang Siu Lan	Interest of spouse (<i>Note 13</i>)	53,530,000	6.69%
Ms. Phyllis Woon Kink Cheng	Interest of spouse (<i>Note 14</i>)	53,530,000	6.69%

Notes:

- Ms. Liu Siu Kuen, Bright Creator, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Ms. Tsui Yuk Yi and Mr. Tsui Chi Kit (together with Mr. Chan and Mr. Lam) are parties acting in concert (having the meaning ascribed to it under the Code on Takeovers and Mergers) pursuant to the concert party deed, the supplemental deed and the second supplemental deed dated 25 September 2015, 6 June 2016 and 8 October 2019, respectively. As such, Ms. Liu Siu Kuen, Bright Creator, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Ms. Tsui Yuk Yi and Mr. Tsui Chi Kit (together with Mr. Chan and Mr. Lam) together control approximately 46.78% of the entire issued share capital of the Company.
- Ms. Liu Siu Kuen owns 50% issued shares of Bright Creator. As such, Ms. Liu Siu Kuen is deemed, or taken to be, interested in all the Shares held by Bright Creator for the purposes of the SFO. Ms. Liu Siu Kuen is the spouse of Mr. Chan and is deemed or taken to be interested in all the Shares in which Mr. Chan has, or is deemed to have, an interest for the purpose of the SFO.
- Each of Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi owns 50%, 25%, 10%, 7.5% and 7.5% issued shares of Sun Foo Sing respectively.
- Each of Mr. David Chow, Mr. Chow Chor Ting Anthony and Mr. Tam Chie Sang owns 37.5%, 37.5% and 25% issued shares of Sky Gain respectively.
- Ms. Lau Lai Ngor is the spouse of Mr. Chow Chor Ting Anthony and is deemed or taken to be interested in all the Shares in which Mr. Chow Chor Ting Anthony has, or is deemed to have, an interest for the purpose of the SFO.

6. Ms. Lau Ngar Ching Angel is the spouse of Mr. Wong and is deemed or taken to be interested in all the Shares in which Mr. Wong has, or is deemed to have, an interest for the purpose of the SFO.
7. Ms. Lui Wai Har is the spouse of Mr. Tsui King Foo and is deemed or taken to be interested in all the Shares in which Mr. Tsui King Foo has, or is deemed to have, an interest for the purpose of the SFO.
8. Ms. Cho Sin Sum Fion is the spouse of Mr. David Chow and is deemed or taken to be interested in all the Shares in which Mr. David Chow has, or is deemed to have, an interest for the purpose of the SFO.
9. Ms. Chan Bik Yuk Mariana is the spouse of Mr. Lam and is deemed or taken to be interested in all the Shares in which Mr. Lam has, or is deemed to have, an interest for the purpose of the SFO.
10. Mr. Fong Man Wai is the spouse of Ms. Tsui Yuk Yi and is deemed or taken to be interested in all the Shares in which Ms. Tsui Yuk Yi has, or is deemed to have, an interest for the purpose of the SFO.
11. The 76,787,500 Shares are the Rights Shares in which the Underwriter is interested under the Underwriting Agreement assuming no Qualifying Shareholders (other than Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain) take up their Rights Shares. The Underwriter is wholly owned by Emperor Capital Investment Holdings Limited, a wholly owned subsidiary of Emperor Capital Group Limited which in turn is owned as to 42.72% by Emperor Capital Group Holdings Limited (a wholly owned subsidiary of Albert Yeung Capital Holdings Limited). Albert Yeung Capital Holdings Limited is held by TAS Trust (Jersey) Limited, a trustee for a private trust, the founder of which is Dr. Yeung Sau Shing, Albert. Ms. Luk Siu Man, Semon is the spouse of Dr. Yeung Sau Shing, Albert and is deemed or taken to be interested in all the Shares in which Dr. Yeung Sau Shing, Albert has, or is deemed to have, an interest for the purpose of the SFO.
12. Sincere Expand Limited is an investment-holding company incorporated in the BVI and wholly-owned by Richmax Investment (H.K.) Limited. Each of Mr. David Chu and Mr. Cheung Yuen Chan owns approximately 46.67% and 40% issued shares of Richmax Investment (H.K.) Limited respectively. As such, each of Richmax Investment (H.K.) Limited, Mr. David Chu and Mr. Cheung Yuen Chau is deemed, or taken to be, interested in all the Shares held by Sincere Expand Limited for the purposes of the SFO.
13. Ms. Tsang Siu Lan is the spouse of Mr. David Chu and is deemed or taken to be interested in all the Shares in which Mr. David Chu has, or is deemed to have, an interest for the purpose of the SFO.
14. Ms. Phyllis Woon Kink Cheng is the spouse of Mr. Cheung Yuen Chau and is deemed or taken to be interested in all the Shares in which Mr. Cheung Yuen Chau has, or is deemed to have, an interest for the purpose of the SFO.

Save as disclosed above, as at Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company 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 is, 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 members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save for the Underwriting Agreement, no material contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding and including the Latest Practicable Date.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinions, letters or advices which are contained in this Prospectus:

Name	Qualification
Ting Ho Kwan & Chan CPA Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group nor did they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up, acquired, disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	P.O. Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Room 2702, Tower 2 Kowloon Commerce Centre No. 51 Kwai Cheong Road Kwai Chung, New Territories Hong Kong
Authorised Representatives	Mr. Chan Chun Kit Mr. Poon Yick Pang Philip
Company Secretary	Mr. Poon Yick Pang Philip
Auditor/Reporting Accountants	Ting Ho Kwan & Chan CPA Limited 9th Floor Tung Ning Building 249-253 Des Voeux Road C. Hong Kong
Principal Bankers	Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong
Principal Share Registrar and Transfer Office in the Cayman Islands	Estera Trust (Cayman) Limited P.O. Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Branch Share Registrar and Transfer Office in Hong Kong	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong

Legal Advisers to the Company in relation to the Rights Issue as to Hong Kong Laws	Loong & Yeung Room 1603, 16/F, China Building 29 Queen's Road Central Central, Hong Kong
Underwriter	Emperor Securities Limited 23-24/F, Emperor Group Centre 288 Hennessy Road Wanchai, Hong Kong
Financial adviser to the Company	Emperor Capital Limited 23/F, Emperor Group Centre 288 Hennessy Road Wanchai, Hong Kong

11. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Mr. Chan Chun Kit (陳振傑) (“Mr. Chan”), aged 64, is the chairman of the Board, the chief executive officer of the Company, an executive Director and one of the controlling shareholders of the Company (the “Controlling Shareholders”). He is also the chairman of the nomination committee of the Company (the “Nomination Committee”) and a member of the Remuneration Committee. Mr. Chan was appointed as a Director on 1 September 2015 and re-designated as an executive Director on 23 September 2015. Mr. Chan is responsible for the Group’s overall management, strategic development, financial management and major decision-making of the Group. He is also a director of various subsidiaries of the Group.

From December 2012 to May 2014, Mr. Chan completed 13 courses including construction and operation management of catering corporations of chain-store franchise system* (餐飲企業連鎖體系建設與運營管理) held by the Graduate School in Shenzhen, Tsinghua University in order to enhance the brand management of the Group.

Mr. Chan has over 19 years of experience in the restaurant business. He is currently the vice chairman of the Association of Restaurant Managers. Mr. Chan is also the committee member of the training committee of Chinese Cuisine Training Institute.

Mr. Lam Kwok Leung Peter (林國良) (“Mr. Lam”), aged 59, was appointed as an executive Director and the compliance officer of the Company on 23 September 2015 and 16 June 2016, respectively, and he is one of the Controlling Shareholders. He is also a member of the legal compliance committee of the Company (the “Legal Compliance Committee”). Mr. Lam is mainly responsible for the management of leases and administrative matters of the Group.

Mr. Lam has over 30 years of experience in retail and commercial leasing as well as property development in Hong Kong. He had held various senior roles in renowned property developers including Hang Lung (Real Estate Agencies) Limited from December 1984 to March 1988, Lai Fung Holdings Limited from July 1988 to January 1998 and Henderson Real Estate Agency Limited from February 1998 to October 1998. Mr. Lam joined the Group in 2004.

Mr. Lam obtained a diploma in housing from the University of Hong Kong in August 1998. He further obtained a master's degree of arts in public policy and management from the City University of Hong Kong in November 2007.

Mr. Lam is a fellow member of Hong Kong Institute of Real Estate Administration since March 2002, and a fellow member of Hong Kong Institute of Shopping Centre Management since 2006. He is also a member of Hong Kong Institute of Housing since 1998, a member of Hong Kong Institute of Marketing since April 1999, and a corporate member of Chartered Institute of Housing since December 1998. Mr. Lam was appointed as Justice of Peace in 2014, and is currently the Life Honorable President of Hong Kong General Chamber of Small and Medium Business. Mr. Lam was elected as a member of Royal Institution of Chartered Surveyors (英國皇家測量師學會) in September 2015.

Mr. Wong Ka Wai (王家惠) (“Mr. Wong”), aged 57, was appointed as an executive Director on 23 September 2015. He is mainly responsible for the management of control of food quality and administrative matters of the Group.

From September 2002 to January 2003, Mr. Wong completed the PRC Tsinghua Advanced Research Selected Course for Master of Business Administration (中國清華MBA精選課程高級研修) held by the Research Institute of the Tsinghua University in Shenzhen.

Mr. Wong was the head of the Hopeh and Shantung Natives (Hong Kong) Association in 2012, and is currently a committee member of the Shandong Committee of the Chinese People's Political Consultative Conference.

Mr. Chow Yiu Pong David (周耀邦) (“Mr. Chow”), aged 34, was appointed as an executive Director on 23 September 2015. He is mainly responsible for the marketing and promotions of the Group's operations. Mr. Chow is the nephew of Mr. Chow Chor Ting Anthony.

Mr. Chow obtained a Higher Diploma in Web-based Technology for Business from Hong Kong Institute of Vocational Education (Sha Tin) in July 2005. He further holds a degree of Bachelor of Science (Information Technology) from the Swinburne University of Technology in Melbourne, Australia by way of distance learning in March 2007.

From July 2005 to March 2012, Mr. Chow worked at Compass Business Solutions Limited as a programmer, and was subsequently promoted to a technical consultant. Since July 2012, Mr. Chow has been working at Tectura Hong Kong Limited as a client services consultant.

Mr. Liu Chi Keung (廖志強) (“Mr. Liu”), aged 68, was appointed as an independent non-executive Director on 16 June 2016, and is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of the Company. He is also a member of each of the audit committee of the Company (the “Audit Committee”), the Nomination Committee, the Remuneration Committee and the Legal Compliance Committee.

Mr. Liu obtained a certificate in Recreation Management from the University of Hong Kong in December 1980. He further completed a one-year diploma in Training Management Programme from the Chinese University of Hong Kong in November 1989.

Mr. Liu has extensive experience in administration, training and management. Since June 1973, Mr. Liu joined the Civil Aid Service as an Assistant Training Officer, and was subsequently promoted to the Chief Staff Officer since April 2007.

Prof. Wong Lung Tak Patrick (黃龍德) (“Prof. Wong”), aged 71, was appointed as an independent non-executive Director on 16 June 2016. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of each of the Audit Committee and the Legal Compliance Committee.

Prof. Wong is a Practising Certified Public Accountant. He has been the managing practising director of Patrick Wong C.P.A Limited since November 2010 and has over 40 years of experience in the accountancy profession. Prof. Wong was awarded a Badge of Honour in January 1993 by the Queen of England. He has been appointed as a Justice of the Peace since July 1998 and was awarded a Bronze Bauhinia Star (B.B.S.) in July 2010 by the Government of Hong Kong.

Prof. Wong is currently an independent non-executive director of C C Land Holdings Limited (Stock Code: 1224), Galaxy Entertainment Group Limited (Stock Code: 27), Sino Oil and Gas Holdings Limited (Stock Code: 702), Winox Holdings Limited (Stock Code: 6838), Water Oasis Group Limited (Stock Code: 1161) and BAIC Motor Corporation Limited (Stock Code: 1958).

Prof. Wong was an independent non-executive director of Munsun Capital Group Limited (formerly known as China Precious Metal Resources Holdings Co., Ltd.) (Stock Code: 1194) from October 2004 to October 2016, Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (formerly known as Guangzhou Pharmaceutical Company Limited) (Stock Code: 874) from June 2010 to May 2017, and Real Nutraceutical Group Limited (Stock Code:

2010) from March 2008 to October 2017, and National Arts Entertainment and Culture Group Limited (formerly known as National Arts Holdings Limited) (Stock Code: 8228) from February 2010 to December 2018.

Mr. Tam Tak Kei Raymond (譚德機) (“Mr. Tam”), aged 56, was appointed as an independent non-executive Director on 16 June 2016. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of the Company. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee and the Legal Compliance Committee.

Mr. Tam obtained a bachelor’s degree of arts in accounting with computing from the University of Kent at Canterbury in the United Kingdom in July 1985. He is an associate member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Tam has over 20 years of professional accounting experience.

Mr. Tam is currently an independent non-executive director of Vision Fame International Holding Limited (Stock Code: 1315), CNQC International Holdings Limited (Stock Code: 1240) and MEIGU Technology Holding Group Limited (Stock Code: 8349).

Mr. Tam was an independent non-executive director of Digital Domain Holdings Limited (Stock Code: 547) during the period from September 2009 to August 2013; Zebra Strategic Holdings Limited (Stock Code: 8260) during the period from June 2012 to September 2014; Tianjin Jinran Public Utilities Company Limited (Stock Code: 1265) during the period from February 2011 to June 2015; Ngai Shun Holdings Limited (Stock Code: 1246) during the period from September 2013 to July 2015; and Beijing Enterprises Clean Energy Group Limited (formerly known as Jin Cai Holdings Company Limited) (Stock Code: 1250) during the period from July 2013 to July 2016. He was also the chief financial officer of King Force Security Holdings Limited (Stock Code: 8315) during the period from April 2014 to December 2014.

He was also the company secretary of Branding China Group Limited from April 2012 to April 2018 (Stock Code: 863).

Senior management

Mr. Poon Yick Pang Philip (潘翼鵬) (“Mr. Poon”), aged 50, is the company secretary, the chief financial officer, a member of Legal Compliance Committee and the authorised representative of the Company since 15 November 2019. He obtained a Bachelor of Commerce degree from the University of New South Wales in 1993 and is a holder of a Chartered Financial Analyst charter of the CFA Institute, a Certified Practising Accountant (Australia) and a fellow of the Hong Kong Institute of Certified Public Accountants.

Mr. Poon has over 20 years of corporate finance and accounting experience. Mr. Poon served senior financial positions in a number of companies listed in Hong Kong.

Mr. Poon is an independent non-executive director of China Fordoo Holdings Limited (Stock Code: 2399) since August 2016.

Ms. Zhu Xueqin (朱雪琴) (“Ms. Zhu”), aged 41, is the general manager of the Shenzhen Restaurant of the Group, and is responsible for the management and administrative of the Shenzhen Restaurant. She joined the Group in May 2013.

Prior to joining the Group, Ms. Zhu worked at 深圳市王子廚房餐飲有限公司 (Shenzhen Prince Kitchen Catering Company Limited*) from 2003 to 2009 with her last position as deputy manager. From 2009 to 2012, she worked at 江蘇王子飯店有限公司 (Jiangsu Prince Catering and Management Limited*) with her last position as general manager.

Business address of the Directors and senior management

The business address of the Directors and senior management is the same as the Company’s head office and principal place of business in Hong Kong located at Room 2702, Tower 2, Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.

12. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advising fees, printing, registration, translation, legal and accounting fees are estimated to be approximately HK\$2 million and are payable by the Company.

13. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

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

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Room 2702, Tower 2, Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong during the period of 14 days from the date of this Prospectus:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the three financial years ended 31 December 2016, 2017 and 2018;
- (iii) the interim report of the Company for the six months ended 30 June 2019;
- (iv) the independent reporting accountants’ assurance report on the unaudited pro forma financial information of the Group issued by Ting Ho Kwan & Chan CPA Limited set out in Appendix II to this Prospectus;
- (v) the written consent referred to in the paragraph headed “Expert and Consent” in this Appendix;
- (vi) the material contracts (including the Underwriting Agreement) disclosed in the paragraph headed “Material Contracts” in this Appendix;
- (vii) the Undertakings; and
- (viii) the circular of the Company dated 15 October 2019 regarding a major transaction in relation to Shenzhen Tenancy Renewal Agreement.

16. GENERAL

In case of inconsistency, the English text of the Prospectus Documents shall prevail over their respective Chinese text.