
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares (as defined herein) in Luxey International (Holdings) Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by 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 and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Dealings in 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 licensed securities dealer, 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.



Luxey International (Holdings) Limited **薈萃國際（控股）有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: <http://www.luxey.com.hk>

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Capitalised terms used herein shall have the meanings set out in the section headed "Definitions" of this prospectus.

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the section headed "Conditions of the Rights Issue" in this prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed. Pursuant to the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

Shareholders should note that the Consolidated Shares have been dealt in on an ex-rights basis from Monday, 10 August 2020 and that dealing in the Rights Shares in the nil-paid form will take place from Friday, 21 August 2020 to Friday, 28 August 2020 (both days inclusive). Any Shareholder or other person dealing in the Consolidated Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on Thursday, 3 September 2020), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 2 September 2020. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 14 to 18 of this prospectus.

19 August 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 2 July 2020 in relation to, among other things, the Rights Issue
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or a Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Company”	Luxey International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Consolidated Shares”	new ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“CPS”	1,083,333,333 convertible preference shares of par value HK\$0.15 each in the issued share capital of the Company which entitle the holder(s) of which to convert into a total of 135,416,666 Consolidated Shares (subject to adjustments, if any)
“Despatch Date”	Wednesday, 19 August 2020 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“Director(s)”	director(s) of the Company

DEFINITIONS

“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess for their pro-rata entitlements under the Rights Issue
“Excluded Shareholders”	the Overseas Shareholder(s) who the Directors, after making enquiries regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholder(s) resides, consider it necessary or expedient not to offer them the Rights Shares
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	2 July 2020, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	12 August 2020, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information for inclusion herein
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 2 September 2020 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company on the Record Date is/are outside of Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus Documents”	this prospectus, the PAL and the EAF
“Qualifying Shareholders”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Tuesday, 18 August 2020, the record date to determine entitlements to the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Abacus 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 two (2) Consolidated Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Shares”	new Consolidated Share(s) to be allotted and issued by the Company under the Rights Issue
“Series B CPS”	189,100,000 convertible preference shares of par value HK\$0.16 each in the issued share capital of the Company which entitle the holder(s) of which to convert into a total of 100,853,333 Consolidated Shares (subject to adjustments, if any)
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company prior to the Share Consolidation becoming effective

DEFINITIONS

“Share Consolidation”	the consolidation of every 10 issued and unissued Shares into one Consolidated Share in the issued and unissued share capital of the Company as set out in the Announcement
“Shareholder(s)”	the holder(s) of the Shares and/or Consolidated Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$0.10
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	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.

First day of dealings in nil-paid Rights Shares Friday, 21 August 2020

Original counter for trading in Consolidated Shares
in board lots of 20,000 Consolidated Shares
(in the form of new share certificates) re-opens 9:00 a.m. Friday, 21 August 2020

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) commences 9:00 a.m. Friday, 21 August 2020

Designated broker starts to stand
in the market to provide matching services
for odd lots of Consolidated Shares Friday, 21 August 2020

Latest time for splitting of the PAL 4:00 p.m. Tuesday,
25 August 2020

Last day of dealings in nil-paid Rights Shares Friday, 28 August 2020

Latest time for acceptance of and payment
for the Rights Shares and application
for excess Rights Shares 4:00 p.m. Wednesday,
2 September 2020

Latest time for the Rights Issue to
become unconditional (being the first Business Day
following the Latest Time for Acceptance) 4:00 p.m. Thursday,
3 September 2020

Announcement of allotment results of the Rights Issue Wednesday,
9 September 2020

Temporary counter for trading in Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in the form of existing share certificates) closes 4:10 p.m. Thursday,
10 September 2020

EXPECTED TIMETABLE

Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates closes	4:10 p.m. Thursday, 10 September 2020
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:10 p.m. Thursday, 10 September 2020
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any) in relation to wholly or partially unsuccessful applications for excess Rights Shares	Thursday, 10 September 2020
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. Friday, 11 September 2020
Last day for free exchange of existing share certificates for new share certificates	Monday, 14 September 2020

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 there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) 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 will be extended to 5:00 p.m. on the same Business Day; or
- (ii) 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 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 does not take place on the currently scheduled date, the dates mentioned in this section may be affected. Announcements will be made by the Company in such event as soon as practicable.

LETTER FROM THE BOARD



Luxey International (Holdings) Limited **薈萃國際（控股）有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: <http://www.luxey.com.hk>

Executive Directors:

Lau Chun Fat, George (*Chairman*)

Chan Hiu Kwan

Independent non-executive Directors:

Lee Chung Mong, John

Tam Wing Kin

Fung Chan Man, Alex

Registered office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal place of
business in Hong Kong:*

Unit B, 5/F.,

Hang Cheong Factory Building,

1 Wing Ming Street,

Cheung Sha Wan,

Kowloon, Hong Kong

19 August 2020

To the Qualifying Shareholders,

and for information only, the Excluded Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Rights Issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the subscription price of HK\$0.10 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

LETTER FROM THE BOARD

The Share Consolidation was approved by the Shareholders at the extraordinary general meeting held on 5 August 2020. The Share Consolidation became effective on 7 August 2020.

The purpose of this Prospectus is to provide you with details regarding the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Consolidated Shares held on the Record Date
Subscription Price	:	HK\$0.10 per Rights Share
Number of Consolidated Shares in issue as at the Latest Practicable Date	:	690,877,231 Consolidated Shares
Number of Rights Shares to be issued	:	Up to 345,438,615 Rights Shares
Total Number of Consolidated Shares in issue upon completion of the Rights Issue	:	Up to 1,036,315,846 Consolidated Shares
Gross proceeds from the Rights Issue	:	Up to approximately HK\$34.5 million before expenses

As at the Latest Practicable Date, there are (i) outstanding 1,083,333,333 CPS convertible into 135,416,666 Consolidated Shares and (ii) outstanding 189,100,000 Series B CPS convertible into 100,853,333 Consolidated Shares. According to the terms and conditions of the CPS and Series B CPS, the Rights Issue will not trigger automatic conversion of the CPS and Series B CPS. Save as aforesaid, as at the Latest Practicable Date, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Consolidated Shares.

LETTER FROM THE BOARD

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial shareholder of their intention in relation to the Rights Shares to be provisionally allotted to them or application for any excess Right Shares under the Rights Issue as at the Latest Practicable Date.

Subscription Price

The subscription price of HK\$0.10 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 58.3% to the theoretical closing price of HK\$0.24 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.024 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 59.3% to the theoretical closing price of HK\$0.246 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.024 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 59.8% to the average theoretical closing price of approximately HK\$0.249 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.0249 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 48.2% to the theoretical ex-rights price of approximately HK\$0.193 per Consolidated Share (taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.024 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (v) a discount of approximately 16.7% to the net asset value of the Company of approximately HK\$0.12 per Consolidated Share based on the unaudited consolidated net asset value of the Company of approximately HK\$82,223,000 as at 31 December 2019 and 690,877,231 Consolidated Shares assuming the Share Consolidation has become effective; and
- (vi) a discount of approximately 66.7% to the closing price of HK\$0.30 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date.

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as those terms are defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are HK\$0.197 per Consolidated Share, HK\$0.246 per Consolidated Share and 19.9%, respectively. During the 12 month period immediately preceding the date of the Announcement, the Company has not undertaken (whether by reference to the date of announcement or the date of share issue) any rights issue, open offer or specific mandate placing.

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, and the amount of funds the Company intends to raise under the Rights Issue. It is a general market practice for the listed companies on the Stock Exchange to issue rights shares at a discount to the prevailing market price in order to enhance the attractiveness of rights issues. In this regard, the Directors noted that during the three months immediately before the date of the Announcement, there were 10 cases of rights issue conducted by companies listed on the Stock Exchange, out of which in 7 cases the respective subscription prices for the rights shares were set at a discount to the last closing prices before the relevant announcements. The amount of discount ranges from approximately 10% to 64%. The discount of the Subscription Price to the theoretical closing price on the Last Trading Day is within the price discount range of the comparable companies. Although the discount of the Subscription Price is near the high end of such range, the overall dilution effect under Rule 10.44A of the GEM Listing Rules is under 20%. The Company considers that the extent of such dilution is reasonable and in any event would only affect Qualifying Shareholders who do not take part in the Rights Issue. In addition, since the Rights Shares are offered to all Qualifying Shareholders, the Directors is of view that setting the Subscription Price at a relatively substantial discount to the prevailing market price of the Shares would encourage the Qualifying Shareholders to participate in the Rights Issue and to maintain their shareholdings in the Company and participate in the potential growth of the Group. Each Qualifying Shareholder is offered equal opportunity to subscribe for the Rights Shares at the Subscription Price in proportion to her shareholding in the Company held on the Record Date and hence the interest of the Qualifying Shareholders will not be prejudiced by the substantial discount of the Subscription Price to the market price of the Shares.

The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with the then existing Consolidated Shares in issue on the date of allotment and issue of the Rights Shares in all respects. Holders of such 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 Rights Shares.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Consolidated Shares held by a Qualifying Shareholder as at the close of business on the Record Date.

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

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company as at the close of business on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of Shares or Consolidated Shares (together with the relevant share certificate(s)) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Tuesday, 11 August 2020. The last day of dealings in the Consolidated Shares on a cum-rights basis was Friday, 7 August 2020 and the Consolidated Shares has been dealt with on an ex-rights basis from Monday, 10 August 2020.

The Company has sent the Prospectus Documents to the Qualifying Shareholders on the Despatch Date.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

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

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. No action has been taken by the Company to permit the offering of the Rights Shares in any territory outside Hong Kong.

According to the register of members of the Company as at the Record Date, there was one Overseas Shareholder whose address was located in Switzerland holding 924 Consolidated Shares.

The Company has, in compliance with Rule 17.41(1) of the GEM Listing Rules, made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholder. The Company has been advised by its legal advisers in Switzerland that there is no legal restriction in Switzerland or requirement of any relevant regulatory body or stock exchange in Switzerland with respect to extending the Rights Issue to the Overseas Shareholder in Switzerland. Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholder whose registered address is in Switzerland who is therefore a Qualifying Shareholder. Accordingly, as at the Record Date, there was no Excluded Shareholder.

In accordance with the aforesaid Swiss legal advice, the following statement is included herein for the purpose of and in connection with the Overseas Shareholder in Switzerland:

The Prospectus Documents are not intended to constitute an offer or solicitation to purchase or invest in the Rights Shares. The Rights Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Rights Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. None of the Prospectus Documents nor any other offering or marketing material relating to the Rights Shares constitutes a prospectus pursuant to the FinSA, and none of the Prospectus Documents nor any other offering or marketing material relating to the Rights Shares may be publicly distributed or otherwise made publicly available in Switzerland.

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 in relation to the Rights Issue.

It is the responsibility of any person (including but not limited to Shareholders and beneficial owners of the Consolidated Shares, any agent, custodian, nominee or trustee) receiving a copy of this Prospectus and/or any PAL or EAF outside Hong Kong wishing to take up any

LETTER FROM THE BOARD

Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and observing other formalities and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Any acceptance of or application for Rights Shares by any person 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 or EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representation or warranty.

Non-underwritten basis

Subject to the fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event there is an under-subscription of the Rights Issue, any unsubscribed Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The legal adviser of the Company has confirmed that there are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained. Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his entitlement under the PAL or for excess Rights Shares under the EAF will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

LETTER FROM THE BOARD

Conditions of the Rights Issue

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

- (a) the Share Consolidation having become effective;
- (b) the Stock Exchange having authorised the registration of, and the Registrar of Companies in Hong Kong having registered, respectively, not later than the Despatch Date, each of the Prospectus Documents duly certified in compliance with the Companies (WUMP) Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the GEM Listing Rules;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholder(s), if any, and for information purposes only, on or before the Despatch Date;
- (d) the Listing Committee granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms by no later than the Despatch Date and such listings and permission to deal not having been withdrawn or revoked.

The conditions precedent set out above are incapable of being waived by the Company. If the conditions precedent set out in the above paragraphs are not satisfied by the Latest Time for Acceptance, the Rights Issue will not proceed.

As at the Latest Practicable Date, condition (a) above has been fulfilled.

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, with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Wednesday, 2 September 2020. 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 **"Luxey International (Holdings) Limited – Provisional Allotment Account"** and crossed **"Account Payee Only"**.

LETTER FROM THE BOARD

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 Wednesday, 2 September 2020 whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that 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 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 person at a later stage.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:00 p.m. on Tuesday, 25 August 2020 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from 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. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest 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 cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be given in respect of any application monies received.

LETTER FROM THE BOARD

If any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” is not fulfilled by the Latest Time for Acceptance, 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 Thursday, 10 September 2020.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply by way of excess application, for (i) the unsold Rights Shares representing the entitlement of the Excluded Shareholders; (ii) aggregation of fractions of the Rights Shares which are not sold (if any) and (iii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders.

Application for excess Rights Shares may be made by completing and signing the EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the sum payable for the excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:00 p.m. on Wednesday, 2 September 2020.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis on the principle that any excess Rights Shares will be allocated to the applying Qualifying Shareholders 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 by the Qualifying Shareholders through applications by the PAL or the number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

In the event that the Directors note unusual patterns of excess Rights Shares applications, the Directors will review those applications and if the Directors have reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Directors.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under PALs is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

LETTER FROM THE BOARD

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

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 with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Wednesday, 2 September 2020. 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 **"Luxey International (Holdings) Limited – Excess Application Account"** and crossed **"Account Payee Only"**.

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 Thursday, 10 September 2020. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his own risk by the Registrar on or before Thursday, 10 September 2020.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest 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 cheque or cashier's order is dishonoured on first presentation. No receipt will be given in respect of any application monies received.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. 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 relevant instructions.

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.

LETTER FROM THE BOARD

If any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” above is not fulfilled by the Latest Time for Acceptance, 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 Thursday, 10 September 2020.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment 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 Thursday, 10 September 2020 by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted by Thursday, 10 September 2020 by ordinary post to the applicants at their own risk.

Application for listings

The Company has applied to the Listing Committee for the listings of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

The nil-paid Rights Shares shall have the same board lot size as the Shares and Consolidated Shares, i.e. 20,000 Shares/Consolidated 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 and other applicable fees 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 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 CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

Arrangement on odd lot trading

The Company has appointed Astrum Capital Management Limited as an agent to provide matching service, on a best effort basis, for the sale and purchase of odd lots of Consolidated Shares during the period from 9:00 a.m. on Friday, 21 August 2020 to 4:10 p.m. on Thursday, 10 September 2020 (both dates inclusive). Shareholders who wish to take advantage of this facility should contact Mr Kelvin Tsung of Astrum Capital Management Limited at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong at telephone number 3665 8188 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

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 Excluded Shareholders (if any), their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf. It is emphasized that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully paid forms.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The tables below set out the shareholding structures of the Company in various scenarios:

- (I) as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming all Shareholders have taken up the Rights Shares:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Shareholders have taken up the Rights Shares	
	No. of Shares	%	No. of Shares	%
Lau Chi Yuen Joseph (note 1)	149,074,199	21.58	223,611,298	21.58
Big Good Management Limited	135,053,384	19.55	202,580,076	19.55
Wide Select Investments Limited	91,642,000	13.26	137,463,000	13.26
Public Shareholders	315,107,647	45.61	472,661,470	45.61
Total	690,877,231	100.00	1,036,315,846	100.00

LETTER FROM THE BOARD

- (II) as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming only the substantial shareholders of the Company have taken up the Rights Shares:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming only the substantial shareholders of the Company have taken up the Rights Shares	
	No. of Shares	%	No. of Shares	%
Lau Chi Yuen Joseph (<i>note 1</i>)	149,074,199	21.58	223,611,298	25.45
Big Good Management Limited	135,053,384	19.55	202,580,076	23.05
Wide Select Investments Limited	91,642,000	13.26	137,463,000	15.64
Public Shareholders	<u>315,107,647</u>	<u>45.61</u>	<u>315,107,647</u>	<u>35.86</u>
Total	<u>690,877,231</u>	<u>100.00</u>	<u>878,762,021</u>	<u>100.00</u>

- (III) as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming only the substantial shareholders of the Company have taken up the Rights Shares and applied for all the available excess Rights Shares on an equal basis:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming only the substantial shareholders of the Company have taken up the Rights Shares and applied for all the excess Rights Shares on an equal basis (<i>note 2</i>)	
	No. of Shares	%	No. of Shares	%
Lau Chi Yuen Joseph (<i>note 1</i>)	149,074,199	21.58	276,129,239	26.65
Big Good Management Limited	135,053,384	19.55	255,098,017	24.62
Wide Select Investments Limited	91,642,000	13.26	189,980,942	18.33
Public Shareholders	<u>315,107,647</u>	<u>45.61</u>	<u>315,107,647</u>	<u>30.41</u>
Total	<u>690,877,231.0</u>	<u>100.00</u>	<u>1,036,315,846.0</u>	<u>100.00</u>

Note 1: The Shares are held as to 74,000,000 Shares by Mr. Lau Chi Yuen Joseph personally and as to 1,416,741,995 Shares by JL Investments Capital Limited which is wholly-owned by Mr. Lau Chi Yuen Joseph.

Note 2: It is assumed that none of the public shareholders took up any Rights Shares or applied for any excess Rights Shares and each substantial shareholder applied for the same number of available excess Rights Shares. It is stated in the section headed “Application for excess Rights Shares” above that the Directors will allocate the excess Rights Shares on a pro rata basis in proportion to the number of excess Rights Shares being applied and no reference will be made to the number of Shares held by the Qualifying Shareholders.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in (i) manufacturing and trading of swimwear and garment products, (ii) e-commerce and provision of on-line shopping services; and (iii) money lending business.

Assuming all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$34.5 million. The net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$0.5 million) are estimated to be approximately HK\$34 million, which are intended to be applied in following manner:

1. approximately HK\$17 million to finance the Group's e-commerce and online shopping services business;
2. approximately HK\$17 million to finance the Group's money lending business.

As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds of the Rights Issue cannot be ascertained at this point but will in any event be applied on a pro rata basis towards the above purposes. The coronavirus pandemic recently showed signs of easing in different parts of the world. Despite the apparent new wave of coronavirus outbreak in Hong Kong and elsewhere subsequent to the Announcement, the stock markets in Hong Kong and worldwide remain resilient. It is believed that global economic order will gradually resume. In view of the recent propitious market condition, the Company expects that the Rights Issue will be well received by Shareholders who are offered the opportunity to participate in the potential growth of the Group's businesses using the net proceeds from the Rights Issue.

There is no minimum amount of proceeds that the Company intends to raise. It has always been the intention of the Company to further expand its existing businesses in order to improve the Group's financial performance and increase overall returns to Shareholders. The Company considers that the Rights Issue will enable the Group to obtain extra funding for expansion of its existing businesses. The net proceeds will be used for funding the e-commerce and online shopping operations in order to enhance the Group's overall trading capacity and working capital resources. The net proceeds will also be used for funding the money lending operation which invariably depends on the financial resources of the Group. It is expected that the proceeds will be used as soon as possible in their entirety according to the business needs of the Group's e-commerce and online shopping operations and money lending operations.

LETTER FROM THE BOARD

Based on the latest estimate of the Directors, the Group is able to satisfy its funding needs for its operations for at least the next 12 months in the absence of any proceeds from the Rights Issue. The key assumptions for the estimate are (i) there will be no major change in the political, economic, legal and market conditions in which the jurisdiction which the Group operates, (ii) there will be no material change in inflation rates, interest rates and exchange rates, (iii) no extraordinary financial items will be incurred by the Group and (iv) there will be no significant change in accounting policies.

The net proceeds from the Rights Issue are intended for enhancing the trading capacity and working capital resources of the Group as the Group is expected to generate sufficient working capital from its ongoing operations and internal resources. Therefore it is not necessary to conduct the Rights Issue on a fully underwritten basis to secure the funding. The Board considers that to proceed on a non-underwritten basis is fair and reasonable and in the interest of the Company and Shareholders as it will save both the time of negotiating and procuring an underwriter and the substantial costs payable to the underwriter.

The Group's e-commerce and online shopping services business mainly represents (i) buying, refurbishing and selling second hand mobile phones through online platforms, trading of cameras and electronic parts and (ii) acting as agents for suppliers in arranging and providing value added services on facilitating the sale of second hand mobile phones to buyers through online shopping platforms. The second hand mobile phones are sold through global online shopping platforms such as Amazon and eBay. As disclosed in the Company's third quarterly report for the nine months ended 31 March 2020, the profit margin of this segment improved from 4.5% to 10%. The revenue and gross profit of this segment for the same period dropped significantly due to the shift in focus on higher profit margin order as well as the impact of the coronavirus pandemic. Due to the coronavirus pandemic, global trading activities and logistics were seriously disrupted which adversely affected the supply of second hand mobile phones. However the online demand for such products remained strong even in the midst of the pandemic. It is expected that with the gradual resumption of trading activities and cargo movement, this segment's business will catch up quickly. The Company considers that proceeds from the Rights Issue will enable the Group to further expand its scale of operation in this segment and to capture the business opportunities from the expected market recovery.

The Group's money lending business is operated through its licensed money lender subsidiary in Hong Kong. As disclosed in the Company's third quarterly report for the nine months ended 31 March 2020, the gross profit of this segment for the period increased significant to approximately HK\$1.2 million. The coronavirus pandemic has no adverse impact on this segment. The Company is optimistic on the prospect of this segment as it provides a steady stream of income to the Group. The proceeds from the Rights Issue will enable the Group to further expand its scale of operation in his segment which is expected to provide a stronger and steady income for development of the Group.

LETTER FROM THE BOARD

For the nine months ended 31 March 2020, the performance of the Group's manufacturing and trading of swimwear and garment products segment remained steady and recorded a gross profit instead of gross loss compared with last year. However the adverse impact of the coronavirus pandemic on this segment has begun to materialize and reflected on the significant reduction of orders on hand. The prospects for this segment remain challenging as it is closely tied to the development of the coronavirus pandemic. The Group will continue to adopt costs cutting measures in response to the current unfavourable market condition which is expected to be temporary. The Group is well position to capture the business opportunities from the expected market recovery. The Company is committed to maintaining this segment as the Group's principal business despite the uncertainties ahead. The Company will continue to deepen its relationships with existing customers and will seek new business opportunities with new customers including domestic customers in China.

As at the Latest Practicable Date, save for the Rights Issue, the Company does not have any plan to conduct further rights issue or other fund-raising activities. However, should any other funding needs or any potential investment opportunities or any change of the Company's current circumstances and existing business plans arise in the next 12 months, the Company may consider other funding methods to finance any such funding needs.

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and placing will dilute the interests of Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company. Therefore the Directors consider that the Rights Issue is an appropriate means of fund raising under the present circumstances.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

ADJUSTMENTS TO THE CONVERTIBLE SECURITIES

In accordance with the terms of the CPS and Series B CPS respectively, the Rights Issue may lead to adjustment to the conversion price of the outstanding CPS and Series B CPS respectively. Further announcement will be made by the Company in this regard as and when appropriate.

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any equity fund raising activities during the 12 months immediately preceding the date of the Announcement.

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

Shareholders and potential investors should note that the Rights Issue is conditional upon the conditions set out in the paragraph headed “Conditions of the Rights Issue” including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Monday, 10 August 2020 and that dealing in the Rights Shares in the nil-paid form will take place from Friday, 21 August 2020 to Friday, 28 August 2020 (both days inclusive) while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on Thursday, 3 September 2020), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

PRECAUTIONARY MEASURES BY THE REGISTRAR

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, precautionary measures such as compulsory body temperature check and compulsory wearing of surgical face masks will be implemented on every Shareholder/visitor at the Registrar’s office at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong. In addition, the Registrar will encourage the Shareholders/visitors to keep proper social distancing and make enough hand sanitizer available for use from time to time.

As part of the contingency plan, the Registrar will have their back office at 5/F, International Trade Tower, 348 Kwun Tong Road, Kowloon to receive the PAL and EAF from Shareholders in case of need. The Company will make announcement as soon as practicable in respect of any contingency arrangement adopted by the Registrar for receiving the PAL and EAF.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,
On behalf of the Board
Luxey International (Holdings) Limited
Lau Chun Fat, George
Chairman

The English text of this prospectus shall prevail over the Chinese text for the purpose of interpretation.

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the three years ended 30 June 2017, 2018 and 2019 are disclosed in the annual reports of the Company for the three years ended 30 June 2017, 2018 and 2019. The aforesaid annual reports 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.luxey.com.hk>).

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

- (a) Annual report of the Company for the year ended 30 June 2017 (pages 73 to 182):

<https://www1.hkexnews.hk/listedco/listconews/gem/2017/0926/gln20170926031.pdf>

- (b) Annual report of the Company for the year ended 30 June 2018 (pages 72 to 194):

<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0926/gln20180926043.pdf>

- (c) Annual report of the Company for the year ended 30 June 2019 (pages 75 to 210):

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0927/2019092700467.pdf>

2. INDEBTEDNESS STATEMENT**Indebtedness**

As at the close of business on 30 June 2020, being the Latest Practicable Date for the purpose of ascertaining information contained in this indebtedness statement set out in this prospectus, the Group had the following indebtedness:

Other borrowings

As at 30 June 2020, the Group had other borrowings of approximately HK\$1,500,000, which are unsecured and unguaranteed.

Loans from a shareholder

As at the close of business on 30 June 2020, the Group had outstanding loans from a shareholder approximately HK\$58,000,000, which are unsecured and unguaranteed.

Lease obligations

As at 30 June 2020, the Group, as a lessee, has outstanding remaining non-cancellable lease payments for the remainder of the relevant lease terms amounting to HK\$12,749,000, which are neither secured nor guaranteed.

Contingent liabilities

As at 30 June 2020, the Group did not have any significant contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital, bank overdrafts, loans, debt securities and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 30 June 2020.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group from 30 June 2020 to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available and also the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

In the first quarterly report for the three months ended 30 September 2019, it was disclosed that the Group's revenue dropped by approximately 29% compared with the corresponding period in 2018, while the Group's loss reduced substantially and recorded a gross profit against a gross loss in 2018. The decrease in revenue was mainly due to decrease in revenue of the trading and online shopping segment as this segment focused on higher margin orders. In the interim report for the six month ended 31 December 2019, it was disclosed that the Group's revenue dropped by approximately 34% compared with the corresponding period in 2018, while the Group's loss reduced substantially and recorded a gross profit against a gross loss in 2018. The decrease in revenue was mainly due to decrease in revenue of the trading and online shopping segment as this segment focused on higher margin orders. In the third quarterly report for the nine months ended 31 March 2020, it was disclosed that the Group's revenue dropped by approximately 43% compared with the corresponding period in 2019, while the Group's loss reduced substantially and recorded a gross profit against a gross loss in 2019. The decrease in revenue was mainly due to decrease in revenue of the trading and online shopping segment as this segment focused on higher margin orders. Due to the continuing impact of the COVID-19 pandemic, the ensuing effects on the global economy and world trade are extremely uncertain and potentially devastating.

Save as disclosed (i) above and in the first quarterly report for the three months ended 30 September 2019, the interim report for the six months ended 31 December 2019, and the third quarterly report for the nine months ended 31 March 2020 and (ii) in the section headed “Financial and Trading Prospect of the Group” in this Appendix I, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 30 June 2019, being the date to which the latest published audited financial statements of the Group was made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group’s e-commerce and online shopping services business mainly represents (i) buying, refurbishing and selling second hand mobile phones through online platforms, trading of cameras and electronic parts and (ii) acting as agents for suppliers in arranging and providing value added services on facilitating the sale of second hand mobile phones to buyers through online shopping platforms. Due to the coronavirus pandemic, global trading activities and logistics were seriously disrupted which adversely affected the supply of second hand mobile phones. However the online demand for such products remained strong even in the midst of the pandemic. It is expected that with the gradual resumption of trading activities and cargo movement, this segment’s business will catch up quickly. The Company considers that proceeds from the Rights Issue will enable the Group to further expand its scale of operation in this segment and to capture the business opportunities from the expected market recovery.

The Group’s money lending business is operated through its licensed money lender subsidiary in Hong Kong. The coronavirus pandemic has no adverse impact on this segment. The Company is optimistic on the prospect of this segment as it provides a steady stream of income to the Group. The proceeds from the Rights Issue will enable the Group to further expand its scale of operation in his segment which is expected to provide a stronger and steady income for development of the Group.

The adverse impact of the coronavirus pandemic on the Group’s manufacturing and trading of swimwear and garment products segment has begun to materialize and reflected on the significant reduction of orders on hand. The prospects for this segment remain challenging as it is closely tied to the development of the coronavirus pandemic. The Group will continue to adopt costs cutting measures in response to the current unfavourable market condition which is expected to be temporary. The Group is well position to capture the business opportunities from the expected market recovery. The Company is committed to maintaining this segment as the Group’s principal business despite the uncertainties ahead. The Company will continue to deepen its relationships with existing customers and will seek new business opportunities with new customers including domestic customers in China.

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

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared by the Directors in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2019.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2019 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2019, as extracted from the Group’s unaudited condensed consolidated financial statements for the six months ended 31 December 2019 included in the published interim report of the Group, and is adjusted for the effect of the Rights Issue described below.

			Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after the completion of the Rights Issue	
	Unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2019 (Note 1) HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2019 (Note 2) HK\$'000	Unaudited consolidated net tangible assets attributable to Company per Share before the Completion of the Rights Issue (Note 3) HK\$	
Rights Issue of 345,438,615 Rights Shares to be issued at the Subscription Price of HK\$0.10 per share	88,506	34,000	122,506	0.130
				0.120

Notes:

- 1) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2019 was approximately HK\$88,506,000 after deducting club debenture of approximately HK\$50,000 as at 31 December 2019, which is extracted from the published interim report of the Company for the six months ended 31 December 2019.
- 2) The estimated net proceeds from the Rights Issue of approximately HK\$34,000,000 are based on the number of 345,438,615 Rights Shares to be issued at the Subscription Price of HK\$0.10 per Rights Share, after deduction of the estimated related expenses, including among others, transaction fees, which are directly attributable to the Rights Issue, of approximately HK\$550,000.
- 3) The unaudited consolidated net tangible assets of the Group per share attributable to the owner of the Company before the completion of the Rights Issue is determined based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2019 of approximately HK\$88,506,000 as disclosed in note 1 above, divided by 682,877,231 Shares of the Company in issue as at 31 December 2019 (assuming the consolidation of every ten issued and unissued shares of HK\$0.01 each into one consolidated share of HK\$0.10 each effective on 7 August 2020 ("Share Consolidation") became effective on 31 December 2019).
- 4) The unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2019 for the Rights Issue of approximately HK\$122,506,000 divided by Shares which comprise 682,877,231 Shares in issue as at 31 December 2019 (assuming the Share Consolidation became effective on 31 December 2019) and 345,438,615 Rights Shares to be issued after the completion of the Rights Issue, assuming that no outstanding share options of the Company will be exercised.
- 5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2019.

Set out below is the text of a letter received from Elite Partners CPA Limited, the Independent Reporting Accountants to the Board of Directors in respect of the Rights Issue for the purpose of inclusion in this Prospectus.

The Board of Directors
Luxey International (Holdings) Limited
Unit B, 5th Floor
Hang Cheong Factory Building
1 Wing Ming Street
Cheung Sha Wan
Kowloon, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Luxey International (Holdings) Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (“Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets as at 31 December 2019, and related notes (the “Unaudited Pro Forma Financial Information”) as set out in Appendix II of the prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of this prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share at the subscription price of HK\$0.10 per rights share (the “Rights Share”) for every two share held on the record date (the “Rights Issue”) as if the transaction had taken place as at 31 December 2019. As part of this process, information about the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2019, as extracted by the Directors from the Company’s condensed consolidated interim financial information for the six months ended 31 December 2019, on which no audit or review report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

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

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.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants 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 7.31 of the GEM 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 the Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of the significant transaction on consolidated net tangible assets of the Group as if 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 event or transaction at 31 December 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 accountants' judgement, having regard to the reporting accountants' 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.

Opinion

In our opinion:

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

Yours faithfully,

Elite Partners CPA Limited
Certified Public Accountants
Hong Kong

Hong Kong, 19 August 2020

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>7,000,000,000</u>	ordinary shares of HK\$0.10 each	<u>700,000,000.00</u>
<u>2,000,000,000</u>	convertible preference shares of HK\$0.15 each	<u>300,000,000.00</u>
<u>312,500,000</u>	Series B convertible preference shares of HK\$0.16 each	<u>50,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
<u>690,877,231</u>	ordinary shares of HK\$0.10 each	<u>69,087,723.10</u>
<u>1,083,333,333</u>	convertible preference shares of HK\$0.15 each	<u>162,500,000.00</u>
<u>189,100,000</u>	Series B convertible preference shares of HK\$0.16 each	<u>30,256,000.00</u>

APPENDIX III

GENERAL INFORMATION

Immediately after completion of the Rights Issue assuming all the Rights Shares are taken up, the authorised and issued share capital of the Company will be as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>7,000,000,000</u>	ordinary shares of HK\$0.10 each	<u>700,000,000.00</u>
<u>2,000,000,000</u>	convertible preference shares of HK\$0.15 each	<u>300,000,000.00</u>
<u>312,500,000</u>	Series B convertible preference shares of HK\$0.16 each	<u>50,000,000.00</u>
<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
690,877,231	ordinary shares of HK\$0.10 each	69,087,723.10
<u>345,438,615</u>	Rights Shares	<u>34,543,861.50</u>
<u>1,036,315,846</u>	Total ordinary shares of HK\$0.10 each	<u>103,631,584.60</u>
<u>1,083,333,333</u>	convertible preference shares of HK\$0.15 each	<u>162,500,000.00</u>
<u>189,100,000</u>	Series B convertible preference shares of HK\$0.16 each	<u>30,256,000.00</u>

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

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 Consolidated Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

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

3. DISCLOSURE OF INTERESTS

Director's and chief executive's interests in the Company

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

Interests and short positions of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors and the chief executive of the Company) had, or were deemed to have, interests or short positions in the shares, debentures 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 and section 336 of the SFO, or who was directly or indirectly interested in 10% 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 Company or had any options in respect of such Shares:

(i) Long positions in Consolidated Shares

Name of Shareholders	Number of Consolidated Shares	Type of interests	Approximately % of issued share capital
Mr. Lau Chi Yuen, Joseph	149,074,199 (Note 1)	Beneficial and controlled corporation	21.58%
JL Investments Capital Limited	141,674,199	Beneficial	20.51%
Big Good Management Limited	135,053,384	Beneficial	19.55%
Mr. Ma Hoi Cheuk	135,053,384 (Note 2)	Controlled corporation	19.55%
Wide Select Investments Limited	91,642,000	Beneficial	13.26%
Mr. Lee Yim	91,642,000 (Note 3)	Controlled corporation	13.26%

(ii) Long positions in the underlying shares of equity derivatives of the Company

Name of Shareholders	Number of Consolidated Shares	Type of interests	Approximately % of issued share capital
Big Good Management Limited	233,769,999 (Note 4)	Beneficial	19.55%
Mr. Ma Hoi Cheuk	233,769,999 (Note 2)	Controlled corporation	19.55%

Notes:

1. These shares are held as to 7,400,000 shares by Mr. Lau Chi Yuen, Joseph personally and as to 141,674,199 shares by JL Investments Capital Limited, which is wholly-owned by Mr. Lau Chi Yuen, Joseph.
2. Big Good Management Limited is wholly-owned by Mr. Ma Hoi Cheuk.
3. Wide Select Investments Limited is wholly-owned by Mr. Lee Yim.
4. Big Good Management Limited is the holder of 1,063,333,333 convertible preference shares of HK\$0.15 each and 189,100,000 series B convertible preference shares of HK\$0.16 each which are convertible into ordinary shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares, debentures 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 and section 336 of the SFO, or who was directly or indirectly interested in 10% 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 Company or had any options in respect of such Shares.

4. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any business or interest which competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group.

5. INTERESTS OF DIRECTORS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 30 June 2019 (being the date to which the latest published audited accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting and is significant in relation to the business of the Group.

6. SERVICE CONTRACTS

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

7. LITIGATION

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

8. MATERIAL CONTRACTS

The following contracts (being contracts not entered into in the ordinary course of business of the Group) have been entered into by the members of the Group after the date of two years immediately preceding the Latest Practicable Date, and are or may be material:

- (a) Two loan agreements both dated 27 April 2020 made between Luxey International Group Limited as lender and Vast Veritas Capital Limited as borrower for a loan of HK\$2.8 million and HK\$2.2 million respectively;
- (b) Loan agreement dated 30 March 2020 made between Luxey International Group Limited as lender and Express Faith Consultants Limited as borrower for a loan of HK\$8 million;

- (c) Loan agreement dated 27 March 2020 made between Luxey International Group Limited as lender and GLAM Finance Limited as borrower for a loan of HK\$26 million;
- (d) Loan agreement dated 20 March 2020 made between Luxey International Group Limited as lender and Vast Veritas Capital Limited as borrower for a loan of HK\$2 million;
- (e) Loan agreement dated 20 February 2020 made between Luxey International Group Limited as lender and Vast Veritas Capital Limited as borrower for a loan of HK\$0.26 million;
- (f) Loan agreement dated 16 January 2020 made between Luxey International Group Limited as lender and Golden Fields Finance Limited as borrower for a loan of HK\$25 million.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion and advice which are contained in this prospectus:

Name	Qualification
Elite Partners CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Elite Partners CPA Limited did not have any beneficial interest in the share capital of any member of the Group, did not 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, and did not have any interest, either directly or indirectly, in any assets which have been, since 30 June 2019, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Elite Partners CPA Limited has given and has not withdrawn its written letters of consent to the issue of this prospectus with the inclusion herein of references to its name in the form and context in which they appear.

10. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE**Board of Directors***Executive Directors*

Mr Lau Chun Fat, George
Unit B, 5/F.,
Hang Cheong Factory Building,
1 Wing Ming Street,
Cheung Sha Wan,
Kowloon, Hong Kong

Ms Chan Hiu Kwan
Unit B, 5/F.,
Hang Cheong Factory Building,
1 Wing Ming Street,
Cheung Sha Wan,
Kowloon, Hong Kong

Independent Non-executive Directors

Dr Lee Chung Mong, John
Unit B, 5/F.,
Hang Cheong Factory Building,
1 Wing Ming Street,
Cheung Sha Wan,
Kowloon, Hong Kong

Mr Tam Wing Kin
Unit B, 5/F.,
Hang Cheong Factory Building,
1 Wing Ming Street,
Cheung Sha Wan,
Kowloon, Hong Kong

Mr Fung Chan Man, Alex
Unit B, 5/F.,
Hang Cheong Factory Building,
1 Wing Ming Street,
Cheung Sha Wan,
Kowloon, Hong Kong

Audit Committee	Mr Tam Win Kin (<i>Chairman</i>) Mr Fung Chan Man, Alex Dr Lee Chung Mong, John
Compensation Committee	Mr Fung Chan Man, Alex (<i>Chairman</i>) Mr Tam Win Kin Dr Lee Chung Mong, John Ms Chan Hiu Kwan
Nomination Committee	Mr Fung Chan Man, Alex (<i>Chairman</i>) Mr Tam Win Kin Dr Lee Chung Mong, John Ms Chan Hiu Kwan
Finance Committee	Mr Fung Chan Man, Alex (<i>Chairman</i>) Mr Tam Win Kin Dr Lee Chung Mong, John Ms Chan Hiu Kwan
Company Secretary	Ms Chan Hiu Kwan
Compliance Officer	Ms Chan Hiu Kwan
Authorized representatives	Mr Lau Chun Fat, George Ms Chan Hiu Kwan
Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business	Unit B, 5th Floor Hang Cheong Factory Building 1 Wing Ming Street, Cheung Sha Wan, Kowloon, Hong Kong
Auditor	Elite Partners CPA Limited Certified Public Accountants 10/F, 8 Observatory Road, Tsimshatsui, Hong Kong

Principal Share Registrar and Transfer Office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office	Tricor Abacus Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	Standard Chartered Bank (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited DBS Bank (Hong Kong) Limited Bank of Communications Company Limited Hong Kong Branch China Construction Bank (Asia) Corporation Limited
Legal advisers to the Company	Tang Tso & Lau Room 209, 2/F, China Insurance Group Building 141 Des Voeux Road Central Hong Kong
Reporting accountants	Elite Partners CPA Limited Certified Public Accountants 10/F, 8 Observatory Road, Tsimshatsui, Hong Kong

11. PARTICULARS OF DIRECTORS**Executive Directors**

Mr. Lau Chun Fat, George, aged 77, was appointed as an Executive Director on 30 June 2014 and Chairman on 25 February 2019. He obtained a higher certificate in Mechanical Engineering from Hong Kong Polytechnic and a diploma in Plastic Technology from Süddeutsche Kunststoff-Zentrum, West Germany. He had worked in multinational chemical companies for 30 years in sales, marketing and management positions.

Ms. Chan Hiu Kwan, aged 35, is the Company Secretary of the Company, has been appointed as an Executive Director and Chief Executive Officer of the Company on 25 February 2019. She joined the Group in May 2008. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Directors

Dr. Lee Chung Mong, John, aged 61, is an independent nonexecutive Director of the Company. He joined the Company in April 2008. He obtained Ph.D. Degree in Computer Science from the University of Minnesota, USA in 1989. In the same year, he was appointed as an Associate, Research Staff in the Institute of Systems Science at National University of Singapore. In 1999, he was awarded a Teaching Excellence Appreciation Award by the Dean of the School of Engineering of The Hong Kong University of Science and Technology and was elevated as a Senior Member of the Institute of Electrical and Electronics Engineers. He is now the chairman and chief executive officer of Asia Vision Technology Ltd.

Mr. Tam Wing Kin, aged 55, is an independent non-executive Director of the Company. He joined the Company in April 2008. He is a member of the Chartered Institute of Management Accountants, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Certified Public Accountant (Practising). Previously, he had worked in one of the leading international accountancy firms and several listed companies in Hong Kong. He has over 20 years of experience in accounting field.

Mr. Fung Chan Man, Alex, aged 58, is an independent nonexecutive Director of the Company. He joined the Company in April 2008. He is an independent non-executive director of i-Control Holdings Limited, a company listed on GEM. He was also an independent non-executive director of Great Wall Belt & Road Holdings Limited, a company listed on the Main Board of the Stock Exchange, from February 2015 to December 2018 and an independent non-executive director of On Real International Holdings Limited, a company listed on GEM, from July 2017 to September 2019. He obtained a BSc (Hons) degree in Electrical Engineering from University of Bath (UK) in 1986 and subsequently a MBA degree from Heriot Watt University (UK). He has over 15 years working experience in financial market and corporate finance activities in both Hong Kong and China.

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee comprises of all the independent non-executive Directors, namely Mr Tam Win Kin (Chairman), Mr Fung Chan Man, Alex and Dr Lee Chung Mong, John. The audit committee is responsible for ensuring the objectivity and credibility of financial reporting and internal control principles of the Company and for maintaining an appropriate relationship with the external auditor.

13. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to lawyers, reporting accountants and financial printer, etc., are estimated to be approximately HK\$550,000 and will be payable by the Company.

14. LEGAL 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.

15. 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 III, have been registered by 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).

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (other than Saturdays, Sundays and public holidays) at the head office and principal place of the Company in Hong Kong at Unit B, 5/F, Hang Cheong Factory Building, 1 Wing Ming Street, Cheung Sha Wan, Kowloon, Hong Kong for a period of 14 days from the date of this prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the year ended 30 June 2018 and 30 June 2019;
- (c) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this prospectus;
- (d) the written consent referred to under the paragraph headed "Expert and Consent" in this Appendix III;
- (e) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix III; and
- (f) this prospectus.

17. MISCELLANEOUS

- (a) The company secretary of the Company is Ms Chan Hiu Kwan. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) In case of inconsistency, the English text of the Prospectus Documents shall prevail over their respective Chinese text.