THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Esprit Holdings Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of the Prospectus Documents, and (where applicable) the documents specified in the paragraph headed "Documents Delivered to the Registrars of Companies" in Appendix III to this prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Shareholders with registered addresses in any jurisdiction outside Hong Kong and Shareholders or Beneficial Owners who are resident in any jurisdiction outside Hong Kong (other than the PRC Southbound Trading Investors) should refer to the important information set out in "Non-Qualifying Shareholders" in the section headed "LETTER FROM THE BOARD" in this prospectus. For the entitlement of the PRC Southbound Trading Investors in participation of the Rights Issue, please refer to the paragraphs headed "PRC Southbound Trading Investors" in the section headed "LETTER FROM THE BOARD" in this prospectus.

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 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 nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC 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.

The securities described in this prospectus have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and Beneficial Owners, agents, custodians, nominees and trustees) into whose possession this prospectus comes should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or Rights Shares or to take up any entitlements to the Nil Paid Rights or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 00330

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK$0.75 PER RIGHTS SHARE

Capitalised terms used in this cover page have the same meanings as defined in this prospectus, unless the context requires otherwise.

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Wednesday, 14 April 2021. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out in the paragraphs headed "Procedures for Acceptance and Payment or Transfer" under the section headed "LETTER FROM THE BOARD" on pages 10 to 36 of this prospectus.

It should be noted that the Underwriter may, upon giving notice in writing to the Company, terminate the Underwriting Agreement with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "TERMINATION OF THE UNDERWRITING AGREEMENT" in this prospectus. If the Underwriter exercises such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Thursday, 18 March 2021. The Nil Paid Rights will be dealt in from Tuesday, 30 March 2021 to Friday, 9 April 2021 (both days inclusive). If, prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraphs headed "Conditions of the Rights Issue and the Underwriting Agreement" under the section headed "LETTER FROM THE BOARD" of this prospectus is otherwise not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 5:00 p.m. on Thursday, 15 April 2021, and any dealings in the Nil Paid Rights from Tuesday, 30 March 2021 to Friday, 9 April 2021 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

26 March 2021

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If any of the conditions of the Rights Issue is not fulfilled and the Underwriter exercises its right to terminate the Underwriting Agreement, the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time. It should be noted that the existing Shares have been dealt in on an ex-rights basis from Thursday, 18 March 2021, and the Nil Paid Rights will be dealt in from Tuesday, 30 March 2021 to Friday, 9 April 2021 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled and any person dealing in the Nil Paid Rights from Tuesday, 30 March 2021 to Friday, 9 April 2021 (being the first and last day of dealings in the Nil Paid Rights, respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING OFFERED TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN ANY JURISDICTION OUTSIDE HONG KONG IF SUCH AN OFFER OR SOLICITATION IS UNLAWFUL. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or the Rights Shares or to take up any entitlements to the Nil Paid Rights or the Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the Rights Shares, this prospectus and any accompanying documents, including PAL and EAF will be registered under the securities laws of any jurisdiction outside Hong Kong and none of the Nil Paid Rights, the Rights Shares, this prospectus and any accompanying documents, including PAL and EAF will qualify for distribution under any of the relevant securities laws of any jurisdiction outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdiction outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdiction, or exemption from the registration or qualification requirement under applicable rules of such jurisdiction.

Shareholders with registered addresses in any jurisdiction outside Hong Kong and Shareholders or Beneficial Owners who are residents of jurisdiction outside Hong Kong (other than the PRC Southbound Trading Investors) are referred to the paragraphs headed "Non-Qualifying Shareholders" under the section headed "LETTER FROM THE BOARD" in this prospectus.

For the avoidance of doubt, the PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of shareholding held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. The PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in China Clear are credited

with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect but could not purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he or she or it is aware of the restrictions on offers and sales of the Nil Paid Rights and/or Rights Shares described in this prospectus.

For a description of certain restrictions regarding the taking up of the Nil Paid Rights for, and the offering and sale of, the Rights Shares, see the notices below.

NOTICE TO OVERSEAS INVESTORS

AUSTRALIA

The offer of the Rights Shares under this prospectus is being made in Australia in reliance on ASIC Corporations (Foreign Rights Issues) Instrument 2015/356.

This prospectus is not a prospectus, disclosure document or product disclosure statement for the purposes of the Australian Corporations Act 2001 (Cth) (the "**Corporations Act**") and does not purport to include all the information required for a prospectus, disclosure document or product disclosure document under the Corporations Act. This prospectus has not been lodged with the Australian Securities & Investments Commission.

This prospectus has been prepared for the purposes of compliance with foreign regulatory requirements and has not been prepared specifically for Australian investors. The Company is not subject to the continuous disclosure requirements that apply in Australia. No cooling off period applies in relation to the offer of the Rights Shares.

The Company is not licensed to provide financial product advice in Australia in relation to the Rights Shares or any other financial product and this prospectus contains general information only. You should consider whether an investment in the Rights Shares is suitable for you and it is recommended that you seek your own advice from your lawyer, accountant or other professional adviser before deciding whether to invest in the Rights Shares.

CANADA

The Nil Paid Rights and the Rights Shares will not be offered or distributed in Canada except in accordance with an exemption from prospectus requirements applicable in Canada. Any resale of the Nil Paid Rights and/or the Rights Shares by a resident of Canada or to a resident of Canada must be made in accordance with applicable Canadian securities laws. Purchasers are advised to seek legal advice prior to any resale of the Nil Paid Rights and/or the Rights Shares to a Canadian resident.

THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area ("**EEA**") in which Prospectus Regulation (EU) 2017/1129 (and any amendments thereto as well as any implementing and delegated acts) (the "**EEA Prospectus Regulation**") applies (each a "**Relevant EEA Member State**"), with effect from and including the date on which the different provisions of the EEA Prospectus Regulation have entered into force (the "**Relevant Implementation Date**"), no Shares, Nil Paid Rights or fully paid Rights Shares have been offered or will be offered pursuant to the Rights Issue to the public in that Relevant EEA Member State prior to the publication of a prospectus in relation to the Shares, nil-paid Rights Shares and fully paid Rights Shares which have been approved by the competent authority in that Relevant EEA Member State or, where appropriate, approved in another Relevant EEA Member State and notified to the competent authority in the Relevant EEA Member State, all in accordance with the EEA Prospectus Regulation, except that with effect from and including the Relevant Implementation Date, offers of Shares, Nil Paid Rights and fully paid Rights Shares may be made to the public in that Relevant EEA Member State at any time under certain exemptions under the EEA Prospectus Regulation, in particular:

(a) an offer addressed solely to qualified investors, as defined in the EEA Prospectus Regulation; or

(b) an offer addressed to fewer than 150 natural or legal persons per Relevant EEA Member State (other than qualified investors as defined in the EEA Prospectus Regulation); or

(c) in any other circumstances falling within Article 1(4) of the EEA Prospectus Regulation.

For this purpose, the expression "an offer to the public" in relation to the Shares, Nil Paid Rights or fully paid Rights Shares in any Relevant EEA Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares, Nil Paid Rights Shares or fully paid Rights Shares to be offered so as to enable an investor to decide to subscribe for any such Shares, Nil Paid Rights Shares or fully paid Rights Shares.

The Prospectus Documents have been prepared on the basis that any offer of the Shares, nil-paid Rights Shares and fully paid Rights Shares in any Relevant EEA Member State will be made pursuant to an exemption under the EEA Prospectus Regulation from the requirement to publish a prospectus for offers of securities, in particular the exemption for offers addressed to fewer than 150 natural or legal persons per Relevant EEA Member State (other than qualified investors as defined in the EEA Prospectus Regulation). None of the Prospectus Documents nor any other offering material relating to the Rights Shares is a prospectus for the purposes of the EEA Prospectus Regulation. The Company has not, and does not intend to, file a securities prospectus with any competent authority in any Relevant EEA Member State or obtain a notification to any competent authority in any Relevant EEA Member State from another competent authority of a Relevant EEA Member State, with which a securities prospectus may have been filed, pursuant to Article 25(1) of the EEA Prospectus Regulation.

FRANCE

This prospectus constitutes an advertisement in the context of an offer of securities to the public in France within the meaning of Regulation (EU) 2017/1129 of the European parliament and of the Council dated 14 June 2017 ("**Regulation (EU) 2017/1129**"). This prospectus does not constitute and shall not be deemed to constitute an offer of securities to persons having their seat or their residence

in France other than (i) qualified investors within the meaning of Regulation (EU) 2017/1129 or (ii) fewer than 150 natural or legal persons other than qualified investors ("**Recipients of the offer**"), and therefore has not been approved by, registered or filed with the French financial markets authority (*Autorité des marchés financiers*). Consequently, the Nil Paid Rights and the Rights Shares are not being, and will not be, offered, directly or indirectly, to the public in France other than the Recipients of the offer and this prospectus has not been and will not be released, issued or distributed or caused to be released, issued or distributed to the public in France other than the Recipients of the offer or used in connection with any offer for subscription or sale of the Rights Shares to the public in France other than the Recipients of the offer. The Rights Shares may only be offered in France to the Recipients of the offer pursuant to Article 1.4 of Regulation (EU) 2017/1129 and Article L. 411-2, 1° of the French monetary and financial code (*Code monétaire et financier*) ("**CMF**"). No direct or indirect distribution, transfer or sale of the Nil Paid Rights and/or the Rights Shares so acquired shall be made to the public in France other than in compliance with Regulation (EU) 2017/1129 and Articles L. 411-1 and seq. of the CMF.

GERMANY

The Rights Issue is not a public offering in the Federal Republic of Germany. The Nil Paid Rights and the Rights Shares may only be offered and sold in the Federal Republic of Germany in accordance with the provisions of the EEA Prospectus Regulation, the Securities Prospectus Act of the Federal Republic of Germany (Wertpapierprospektgesetz, WpPG), as amended (the "**Securities Prospectus Act**") and any other laws and regulations applicable in Germany. No application has been made under the EEA Prospectus Regulation or any other laws and regulations applicable in Germany to permit a public offer of the Nil Paid Rights and/or the Rights Shares in or outside the Federal Republic of Germany. This prospectus has not been approved for purposes of a public offer of the Nil Paid Rights and the Rights Shares and accordingly the Nil Paid Rights and the Rights Shares may not be, and are not being, offered or advertised publicly or by public promotion in the Federal Republic of Germany. Therefore, this prospectus is strictly for private use and the offer is only being made to recipients to whom this prospectus is personally addressed and does not constitute an offer or advertisement to the public. In Germany, any offer of the Nil Paid Rights and the Rights Shares will only be, and is only being, made to persons who are subject to, and this prospectus and any other offering material in relation to the Nil Paid Rights and the Rights Shares has been only prepared on the basis of, an exemption under the EEA Prospectus Regulation from the requirement to publish a prospectus for offers of securities, in particular the exemption for offers addressed to fewer than 150 natural or legal persons per Relevant EEA Member State (other than qualified investors as defined in the EEA Prospectus Regulation) pursuant to Art. 1(4)(b) of the EEA Prospectus Regulation or another exemption in accordance with the EEA Prospectus Regulation or the Securities Prospectus Act. Any resale of the Nil Paid Rights and the Rights Shares in the Federal Republic of Germany may only be made in accordance with the EEA Prospectus Regulation, the Securities Prospectus Act and other applicable laws and regulations. The Issuer has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "**BaFin**") or obtain a notification to BaFin from another competent authority of a Relevant EEA Member State, with which a securities prospectus may have been filed, pursuant to Article 25(1) of the EEA Prospectus Regulation.

MACAU

The Company has not authorised any offer to the public of Nil Paid Rights or Rights Shares in Macau and no action has been undertaken to make an offer to the public of Rights Shares requiring a publication of a prospectus in Macau. The Nil Paid Rights and/or the Rights Shares are not registered or otherwise authorised for public offer under the Financial System Act of Macau, and thus may not be promoted, distributed, sold, delivered or offered to the public in Macau.

MALAYSIA

This prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission ("**SC**") under the Capital Markets and Services Act 2007 ("**CMSA**"). This prospectus will be deposited as an information memorandum with the SC within seven (7) days after it is first issued pursuant to section 229(4) or 230(4) of the CMSA.

This prospectus and any other document or material in connection with the making of an invitation to subscribe for or purchase the Nil Paid Rights and/or the Rights Shares shall not be deemed to be made available or issued to, offered for subscription or purchase, or be made the subject of an invitation to subscribe for or purchase, whether directly or indirectly, to any person in Malaysia, except to persons to whom an offer, invitation or issue as specified in Schedules 6 or 7 of the CMSA is made, or to a person or a class of persons prescribed under sections 229(1)(b) or 230(1)(b) of the CMSA, as may be applicable.

The approval of the SC has also not been and will not be sought for making available, offering for subscription or purchase of, or issuing an invitation to subscribe for or purchase, the Nil Paid Rights and/or the Rights Shares as the Rights Issue is exempted under section 212(8) of the CMSA and Schedule 5 item 8(c)(iv) of the CMSA. Accordingly, no offer for subscription or purchase, or invitation to subscribe for or purchase is made to persons other than the Shareholders entitled to the Rights Issue. In accepting this prospectus and/or the Rights Issue, the Shareholder acknowledges and agrees that no such issue, offer or invitation is made in Malaysia.

THE PRC (OTHER THAN THE PRC SOUTHBOUND INVESTORS)

This prospectus does not constitute a public offer of the Nil Paid Rights or the Rights Shares, whether by way of sale or subscription, in the PRC. According to relevant PRC laws and regulations, the Nil Paid Rights and/or the Rights Shares are not being offered and may not be offered or sold directly or indirectly in the PRC to, or for the benefit of, legal or natural persons of the PRC, unless such legal or natural person is a PRC Southbound Trading Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this prospectus) or has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

If a Shareholder residing in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights Shares or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

SINGAPORE

This prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Nil Paid Rights and the Rights Shares will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended

time to time (the "**SFA**"). Accordingly, the Nil Paid Rights and the Rights Shares may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Nil Paid Rights or Rights Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an existing holder of Shares pursuant to Section 273(1)(cd) of the SFA, or (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable exemption under the SFA.

This prospectus has been given to you on the basis that you are an existing registered Shareholder. In the event that you are not an existing registered Shareholder, please return this prospectus immediately.

THE UNITED KINGDOM

This prospectus is not a prospectus for the purposes of Regulation (EU) 2017/1129 which forms part of United Kingdom law pursuant to the European Union (Withdrawal) Act 2018 ("**UK Prospectus Regulation**") and has not been approved by the Financial Conduct Authority of the United Kingdom ("**FCA**") pursuant to sections 85 and 87 of the Financial Services and Markets Act 2000 ("**FSMA**") or by any other regulatory body. In issuing this prospectus the Company is relying on the exemption from issuing a prospectus in article 1(4)(b) of the UK Prospectus Regulation.

This prospectus is a financial promotion for the purposes of section 21 of the FSMA, but its contents have not been approved by an authorised person within the meaning of the FSMA because the Company is relying on the exemption in paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) relating to communications with its members.

No Shares have been offered or will be offered pursuant to the Rights Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares, nil-paid Rights Shares or fully paid Rights Shares which has been approved by the FCA, except that the Shares, nil-paid Rights Shares or fully paid Rights Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Underwriter for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Shares, nil-paid Rights Shares or fully paid Rights Shares shall require the Company or the Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares, nil-paid Rights Shares and fully paid Rights Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares, Nil Paid Rights or fully paid Rights Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, nil-paid Rights Shares or fully paid Rights Shares.

SPAIN

No Shares, nil-paid Rights Shares or fully paid Rights Shares will be offered, sold or distributed, nor will any subsequent resale of Shares, nil-paid Rights Shares or fully paid Rights Shares be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under the Spanish Securities Market Law (Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores), as amended. Neither the Shares, nil-paid Rights Shares or fully paid Rights Shares, the Prospectus Documents nor this prospectus have been registered with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) and therefore this prospectus is not intended for any public offer of any Shares, nil-paid Rights Shares or fully paid Rights Shares in Spain which would require the registration of a prospectus under the Spanish Securities Market Law.

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as "might", "may", "could", "would", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue", "illustration", "projection" or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group's business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and the trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

TABLE OF CONTENTS

DEFINITIONS 1

EXPECTED TIMETABLE 6

TERMINATION OF THE UNDERWRITING AGREEMENT 8

LETTER FROM THE BOARD

INTRODUCTION 10

RIGHTS ISSUE 11

UNDERWRITING ARRANGEMENT 26

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY 29

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS 32

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS 32

TAXATION 35

EQUITY FUND RAISING EXERCISE OF THE COMPANY 35

SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE 36

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS 36

ADDITIONAL INFORMATION 36

APPENDIX I — FINANCIAL INFORMATION OF THE GROUP I-1

APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP II-1

APPENDIX III — GENERAL INFORMATION III-1

In this prospectus, unless the context otherwise requires, capitalised terms used shall have the following meaning:

"ADR"	American depository receipt
"ADSs"	American depositary shares of the Company, each representing two (2) Shares and evidenced by ADRs
"ADS Holders"	holders of ADSs
"Announcement"	the announcement of the Company dated 27 January 2021 in relation to the Rights Issue
"associate(s)"	shall have the meaning ascribed to it under the Listing Rules
"Beneficial Owner(s)"	beneficial owner(s) of the Shares whose Shares are registered in the register of members of the Company in the name of a Registered Shareholder
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday and public holidays and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"Bye-laws"	the memorandum of association and bye-laws of the Company, as amended from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Participant"	a person admitted by HKSCC as a participant of CCASS
"China Clear"	China Securities Depository and Clearing Corporation Limited
"Closing Date"	such date falling on the third Business Day after the Latest Time for Acceptance or such later date as the Company and the Underwriter may agree in writing
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
"Company"	Esprit Holdings Limited (Stock Code: 00330), a company incorporated in Bermuda with limited liability, the securities of which are listed on the Main Board of the Stock Exchange

"connected person(s)"	shall have the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"EAF(s)"	the form(s) of application for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
"Executive Director(s)"	executive director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of the Company and any connected person(s) of the Company
"Intermediary"	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner's broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner's Shares with a CCASS Participant
"Last Trading Day"	Wednesday, 27 January 2021, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
"Latest Acceptance Date"	4:00 p.m. on Wednesday, 14 April 2021, being the last day for acceptance of, and payment for, the Rights Shares, or such other date as the Company and the Underwriter may agree in writing
"Latest Practicable Date"	Tuesday, 16 March 2021, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information included in this prospectus
"Latest Time for Acceptance"	4:00 p.m. on Wednesday, 14 April 2021 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of the offer of and payment for, the Rights Shares

"Latest Time for Termination"	4:00 p.m. on Thursday, 15 April 2021, being the next Business Day after the Latest Time for Acceptance, or such other time as may be agreed in writing between the Company and the Underwriter
"Listing Committee"	has the meaning ascribed to this term under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Ms. Lo"	Ms. LO Ki Yan Karen
"Nil Paid Rights"	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient not to offer the Rights Issue to such Shareholder(s) on account of such offer being unlawful or impracticable due to either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Option Shares"	up to 24,770,000 Shares which may be allotted and issued by the Company upon the exercising of 24,770,000 outstanding Share Options
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) issued for the Rights Issue
"Posting Date"	Friday, 26 March 2021 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or this prospectus to the Overseas Shareholders for information only to the extent reasonably practicable and legally permitted (as the case may be)
"PRC" or "China"	the People's Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"PRC Southbound Trading Investor(s)"	the PRC investor(s) who hold Shares through China Clear as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect

"Prospectus Documents"	this prospectus and any accompanying documents, including PAL and EAF
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Thursday, 25 March 2021 or such other date as may be agreed between the Company and the Underwriter, being the date for determining entitlements Shareholders to participate in the Rights Issue
"Registered Shareholder(s)"	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered Shareholder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
"Registrar"	Tricor Secretaries Limited, situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, the Hong Kong branch share registrar of the Company
"Rights Issue"	proposed offer for subscription of the Rights Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date
"Rights Share(s)"	the new Share(s) to be allotted and issued under the Rights Issue
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai-Hong Kong Stock Connect" or "Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via China Clear
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of HK$0.1 each
"Shareholder(s)"	duly registered holder(s) of the Shares
"Share Options"	the outstanding options to subscribe for new Shares granted under the Share Option Schemes
"Share Option Schemes"	the share option schemes adopted by the Company on 10 December 2009 and 5 December 2018 respectively

"Strategic Plan"	has the meaning as defined on page 86 of the annual report of the Company for the financial year ended 30 June 2020 published on 16 November 2020
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.75 per Rights Share
"Substantial Shareholder(s)"	has the meaning as ascribed to this term under the Listing Rules
"taken up/take up/taking up"	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong
"Underwriter"	Imagi Brokerage Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO
"Underwriting Agreement"	underwriting agreement dated 27 January 2021 (as amended on 2 March 2021) entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
"Underwritten Shares"	the total number of Right Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement, being not less than 943,605,781 Rights Shares and not more than 955,990,781 Rights Shares *(Note)*
	Note: The maximum number of Underwritten Shares of 956,953,281 as referred to in the Announcement was calculated based on the number of Shares and outstanding Share Options as at the date of the Announcement. As 1,925,000 Share Options had lapsed since the date of the Announcement, as at the date of this prospectus, not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date) will be issued on the basis of one (1) Rights Share for every two (2) Shares. Accordingly, the number of underwritten shares will be not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date).
"United States" or "US"	the United States of America (including its territories and possessions, any state in the US and the District of Columbia)
"US$"	United States dollars, the lawful currency of the United States
"US Securities Act"	the US Securities Act of 1933, as amended
"%"	per cent or percentage

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event

First day of dealings in nil-paid Rights Shares . . . . . Tuesday, 30 March 2021

Latest time for splitting of nil-paid Rights Shares . . . . . 4:30 p.m. on Thursday, 1 April 2021

Last day of dealings in nil-paid Rights Shares. . . . . Friday, 9 April 2021

Latest time for payment for and acceptance of
Rights Shares and application and payment for
the excess Rights Shares . . . . . 4:00 p.m. on Wednesday, 14 April 2021

Latest time for termination of the Underwriting
Agreement . . . . . 4:00 p.m. on Thursday, 15 April 2021

Rights Issue expected to become unconditional
after . . . . . 5:00 p.m. on Thursday, 15 April 2021

Announcement of allotment results. . . . . Tuesday, 20 April 2021

Despatch of certificates for fully-paid Rights
Shares and refund cheques for wholly and
partially unsuccessful excess applications. . . . . Wednesday, 21 April 2021

First day of dealings in fully-paid Rights Shares . . . . . Thursday, 22 April 2021

Note: All times and dates in this prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable as set out above, and in other parts of this prospectus, are indicative only and may be varied by agreement between the Company and the Underwriter.

If any special circumstances arise, the Board may extend, or make adjustment to, the expected timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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

The Latest Time for Acceptance of, and payment for, the Rights Shares and for application of, and payment for, excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above; or

2. "extreme" conditions caused by super typhoons as announced by the Government of Hong Kong; or

3. a "black" rainstorm warning

    a. is in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. In such event, the latest time for acceptance of, and payment for, the Rights Shares and for application for, and payment for, excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

    b. is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. In such event, the latest time for acceptance of, and payment for, the Rights Shares and for application for, and payment for, excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of, and payment for, the Rights Shares and for application for, and payment for, excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

The Underwriter may, by notice in writing to the Company, served prior to the Latest Time for Termination, terminate the Underwriting Agreement if at any time between the date hereof and the Latest Time for Termination, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise or exist:

(a) the Underwriter shall become aware of the fact that any of the representations or warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or

(b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets in Hong Kong, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, Bermuda, the PRC or Germany) occurs which in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(c) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, Bermuda, the PRC or Germany;

(ii) any change of an exceptional nature in local, national or international equity securities or currency markets in Hong Kong;

(iii) any change in local, national or international financial, political, industrial or economic conditions affecting Hong Kong;

(iv) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;

(v) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, Bermuda or Germany; or

(vi) any act of God, war, riot, public disorder, civil commotion, terrorism, strike or lock-out involving or affecting Hong Kong;

which event or events is or are in the reasonable opinion of the Underwriter:

(1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or

(2) so material as to make it impracticable, inadvisable or inexpedient to proceed further with the Rights Issue,

then and in such case, the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company to terminate the Underwriting Agreement forthwith.

Upon the giving of notice of termination as aforesaid, all obligations of the Underwriter hereunder shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save for any antecedent breach.

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 00330

Executive Directors:
Ms. CHIU Christin Su Yi
Mr. DALEY Mark David
Dr. WAN Yung Ting

Independent Non-executive Directors:
Mr. CHUNG Kwok Pan
Mr. GILES William Nicholas
Ms. LIU Hang-so
Mr. LO Kin Ching Joseph

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
27th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

26 March 2021

To the Qualifying Shareholders and, for information only, certain Non-Qualifying Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK$0.75 PER RIGHTS SHARE

INTRODUCTION

Reference is made to the Announcement.

On 27 January 2021, the Board announced that the Company proposes to raise gross proceeds of not less than HK$707,704,335.75 (before expenses) (assuming no further issue or repurchase of Shares on or before the Record Date) and not more than HK$717,714,960.75 (before expenses) (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date) on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing not less than 943,605,781 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date) and not more than 956,953,281 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date) at the Subscription Price of HK$0.75 per Rights Share. As 1,925,000 Share Options had lapsed since the date of the Announcement, as at the date of this prospectus, not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date) will be issued on the basis of one (1) Rights Share for every two (2) Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

The purpose of this prospectus is to provide you with further information about the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

RIGHTS ISSUE

Details of the Rights Issue are set out below:

Issue Statistics

Basis of the Rights Issue:	one (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price:	HK$0.75 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	1,887,211,562
Total number of Rights Shares:	not less than 943,605,781 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date) and not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date)
Aggregate nominal value of the Rights Shares:	not less than HK$94,360,578.10 and not more than HK$95,599,078.10
Number of Shares in issue upon completion of the Rights Issue:	not less than 2,830,817,343 Shares (assuming no further issue or repurchase of Shares on or before the Record Date) and not more than 2,867,972,343 Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date)
Amount to be raised (before expenses):	not less than HK$707,704,335.75 and not more than HK$716,993,085.75
Right of excess applications:	Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply for the Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company had 24,770,000 outstanding Share Options, which entitle the Share Options holders to convert their respective Share Options into a total of 24,770,000 Option Shares. Save for the aforesaid Share Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, the Board had not received any undertakings from any Substantial Shareholder of the Company of his/her/its intention whether or not to take up his/her/its entitlements under the Rights Issue.

Any Shareholder, together with parties acting in concert with it (if any), who as a result of the Rights Issue collectively hold 30% or more of the voting rights in the Company will, subject to any waiver which may be granted by the SFC, be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code for all the shares in the Company not already held by it.

Assuming there is no change in the issued share capital of the Company on or before the Record Date, 943,605,781 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent 50% of the existing issued share capital of the Company; and approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

Assuming all the outstanding Share Options are exercised in full and the Option Shares have been issued pursuant thereto on or before the Record Date, and no further issue or repurchase of Shares on or before the Record Date save for the aforesaid Option Shares, 955,990,781 Rights Shares proposed to be allotted and issued represent (i) approximately 50.66% of the existing issued share capital of the Company; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

Subscription Price

The Subscription Price of HK$0.75 per Rights Share will be payable in full when a Qualifying Shareholder accepts the relevant provisional allotments of the Rights Shares and, where applicable, applies for excess Rights Shares or when a renouncee of any provisional allotment of Rights Shares or a transferee of Nil Paid Rights applies for the relevant Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 13.79% to the closing price of HK$0.87 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of 25.00% to the closing price of HK$1.00 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of 26.04% to the average closing price of HK$1.014 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to and excluding the Last Trading Day;

(iv) a discount of 18.21% to the theoretical ex-rights price of HK$0.917 per Share based on the closing price of HK$1.00 per Share as quoted on the Stock Exchange on the Last Trading Day;

(v) a discount of approximately 48.98% to the consolidated net asset value per Share of approximately HK$1.47 (based on the latest published consolidated net asset value of the Company as at 30 June 2020 of approximately HK$2,770 million, which included intangible assets of HK$1,641 million, and is subject to further trademarks impairment given the adverse business conditions, and the number of issued Shares, which is 1,887,211,562);

(vi) a premium of approximately 97.37% to the consolidated net current asset value per Share of approximately HK$0.38 (based on the latest published consolidated net current asset value of the Company as at 30 June 2020 of approximately HK$712 million and the number of issued Shares, which is 1,887,211,562); and

(vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 8.68%, represented by the theoretical diluted price of approximately HK$0.926 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK$1.014 per Share, taking into account the closing price on the Last Trading Day of HK$1.00 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Announcement of approximately HK$1.014 per Share.

The Subscription Price was determined with reference to, among others, (i) the recent market price of the Shares under the prevailing market conditions; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the paragraphs headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" below.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors: (a) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the Nil Paid Rights in the market; and (b) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK$0.73.

The Board considers that the discount of 48.98% mentioned in paragraph (v) above is reasonable and justifiable, because the Group's intangible assets as at 30 June 2020 amounted to HK$1,641 million, which represents approximately 16.70% of the Group's total assets and approximately 59.24% of the Group's net assets as at 30 June 2020. The Group's intangible assets formed part of the Group's non-current assets and were excluded in the Group's net current assets, which were also known as working capital (i.e. current assets minus current liabilities). Therefore, the Board is of the view that comparing the Subscription Price with the net current asset value per Share as disclosed in paragraph (vi) above would be a more appropriate reference to the pricing of the Subscription Price. In addition, during the period from 27 March 2020, being the Company's announcement date in relation to its six subsidiaries' application for the protective shield proceedings, up to the Last Trading Day, there was only one trading day, being 10 July 2020, where the Shares were traded above

the net asset value per Share and the trading volume amounted to 34,718,924 Shares, which represented 1.84% of the then number of issued Shares (i.e. 1,887,211,562 Shares). Save as disclosed, the Shares had been trading at a discount to the net asset value per Share of the Group during the same period, such discount ranging from 4.76% to 63.27% during the period aforesaid.

After taking into consideration the reasons for the Rights Issue as stated in the paragraphs headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" below, the Directors consider that the terms of the Rights Issue, including the Subscription Price and the discount to the relative values as indicated above, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Basis of Provisional Allotment

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders shall apply for all or any part of their respective provisional allotment by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Status of the Rights Shares

The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the Shares then in issue including the right to receive future dividends and distributions which may be declared, made or paid after the completion of the Rights Issue.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and this prospectus, for information purposes only, to the Non-Qualifying Shareholders to the extent reasonably practicable and legally permitted.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Beneficial Owners with their Shares held by a nominee (or 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 and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company at the close of business on the Record Date, any relevant transfer documents (together with the relevant share certificates) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 19 March 2021.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on Wednesday, 21 April 2021 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on Wednesday, 21 April 2021 by ordinary post to the applicants, at their own risk, to their registered addresses.

Fractional entitlements to the Rights Shares

Fractional Rights Shares to which an individual Shareholder is entitled to will not be issued by the Company to such Shareholder. Any such fractional entitlements to the Rights Shares will be aggregated and sold and the proceeds therefrom will be retained for the benefit of the Company.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Rights Shares arising from the Rights Issue, a designated broker is appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from 9:00 a.m. on Tuesday, 30 March 2021 to 4:00 p.m. on Tuesday, 20 April 2021 (both dates inclusive). Holders of Shares in odd lots who wish to take advantage of this facility either to acquire odd lots of the Shares to make up a full board lot or dispose their odd lots of the Shares may, directly or through their brokers, contact Ms. KOO Rhoda of Imagi Brokerage Limited at Rooms 1610-1611, 16/F, China United Centre, 28 Marble Road, North Point, Hong Kong (telephone number (852) 25260001) during such period.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, 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 their respective commencement dates of dealings 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 stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 100 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of (i) stamp duty, (ii) the Stock Exchange trading fee, (iii) transaction levy and (iv) any other applicable fees and charges in Hong Kong.

Non-Qualifying Shareholders

Non-Qualifying Shareholders are those Overseas Shareholders and those Shareholders and Beneficial Owners who are known by the Company to be resident in places outside Hong Kong and in respect of whom the Directors, based on relevant enquiries made by the Directors, consider it necessary or expedient not to offer the Rights Shares on account of such offer being unlawful or impracticable due to either of the legal restrictions under the laws of the relevant place in which the Shareholder is located or the requirements of the relevant regulatory body or stock exchange in that place.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong except with the CSRC as mentioned in the paragraphs headed "PRC Southbound Trading Investors" below. To the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send this prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL or EAF to them.

Based on the register of members of the Company as at the Latest Practicable Date, there were 11 Shareholders whose registered address as shown in the register of members of the Company were outside Hong Kong, including one Shareholder with registered address in each of Australia, Canada, France, Germany, Malaysia, the PRC, Singapore, the United Kingdom and Spain respectively, and two Shareholders in Macau with the following shareholding:

Jurisdictions	**Overseas Shareholders' shareholding** *(Shares)*	**Overseas Shareholders' shareholding percentage**
Australia	98	0.0000052%
Canada	259	0.0000137%
France	2,964	0.0001571%
Germany	2,346	0.0001243%
Macau	13,086	0.0006934%
Malaysia	4,098	0.0002171%
PRC	150,000	0.0079482%
Singapore	2,059	0.0001091%
The United Kingdom	10,593	0.0005613%
Spain	2,089	0.0001107%
Total	187,592	0.0099401%

The Board has made due enquiries pursuant to Rule 13.36(2) of the Listing Rules as to the applicable securities legislation and the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to Overseas Shareholders as referred to above and the PRC Southbound Trading Investors as referred to further below. Having considered the circumstances as at the Latest Practicable Date, the Directors had formed the view that the Rights Issue can be extended to Overseas Shareholders as referred to above and the PRC Southbound Trading Investors as referred to further below with minimal compliance with local regulatory requirements, except that Shareholder(s) whose name(s) appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in the PRC (which does not include the PRC Southbound Trading Investors) will be excluded from participation in the Rights Issue given that such exclusion is necessary or expedient on account of the relevant legal restrictions in the PRC.

Accordingly, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are the Shareholder(s) whose name(s) appeared in the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in the PRC (which does not include the PRC Southbound Trading Investors). Only the Prospectus (but not the PAL and EAF) will be sent to such Non-Qualifying Shareholder(s) for their information only.

Notwithstanding any other provision in this prospectus or the PAL or the EAF, the Company reserves the right to reject any Shareholder's application to take up his/her/its rights in respect of the Rights Issue if the Company, in its absolute discretion, considers that an offer or solicitation of Rights Shares to such Shareholder is unlawful under the relevant circumstance.

Receipt of this prospectus and/or a PAL and/or an EAF or the crediting of Nil Paid Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil Paid Rights to any person in, into or from, any Territories other than Hong Kong. If a PAL or an EAF or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Nil Paid Rights in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this prospectus or a PAL or an EAF in, into or from any jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

Arrangements will be made for the Nil Paid Rights of Non-Qualifying Shareholders who hold their existing Shares in certificated form to be provisionally allotted to a nominee or nominees appointed by the Company for the benefit of such Non-Qualifying Shareholders and, if a premium (net of expenses) can be obtained, to be sold by the nominee on such Non-Qualifying Shareholders' behalf on the Stock Exchange after the commencement of the dealings in the Nil Paid Rights but before the Latest Time for Acceptance. The proceeds of such sale, less expenses, will be divided on a pro rata basis and paid to such Non-Qualifying Shareholders, provided that individual amounts of less than HK$100 will be paid to the Company for its own benefit. Any Rights Shares in respect of unsold entitlements of Non-Qualifying Shareholders, together with any Rights Shares in respect of Nil Paid

Rights not taken up by the Qualifying Shareholders or otherwise not subscribed for by transferees of Nil Paid Rights, will be made available for excess application on EAFs by Qualifying Shareholders.

With respect to Non-Qualifying Shareholders who hold interests in Shares through CCASS, their nominees, custodians or other intermediaries may sell, on such Non-Qualifying Shareholders' behalf, their entitlements to the Nil Paid Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate.

PRC Southbound Trading Investors

According to the "Stock Connect Southbound Shareholding Search" available on the Stock Exchange's website as at the Latest Practicable Date, China Clear held 8,135,100 Shares, representing approximately 0.42% of the total issued Shares.

PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect but could not purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions with such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed "EXPECTED TIMETABLE" of this prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the relevant requirements of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this prospectus) or the person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

It is the responsibility of anyone (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any such person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties above.

The Company reserves the right to treat as invalid any acceptances of or applications for the nil-paid 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. Furthermore, the Company reserves the right to treat as invalid any purported acceptance of the provisional allotment of Rights Shares comprised in a PAL and/or any application for excess Rights Shares under an EAF or to refuse to register any purported transfer of the rights represented thereby if it appears to the Company or its agents that acceptance of such provisional allotment of Rights Shares or transfer or the registration of such transfer may involve a breach of the laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or an EAF in respect of such matters.

Procedures for Acceptance and Payment or Transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws and regulations of any relevant jurisdiction including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in, and Shareholders or Beneficial Owners who are otherwise residing in, any jurisdiction outside Hong Kong and persons holding Shares on behalf of persons with such addresses or residence is drawn to the paragraphs above headed "Non-Qualifying Shareholders".

Each purchaser of Nil Paid Rights or subscriber of Rights Shares being offered and sold outside the United States in reliance on Regulation S under the US Securities Act will be deemed (by accepting delivery of this prospectus) to have agreed and given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriter waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;

- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;

- he/she/it is not resident or located in, or a citizen of, the United States;

- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights and/or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the United States at the time the instruction to accept was given;

- he/she/it is not taking up for the account of any person who is located in the United States, unless:

  (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the United States, and

  (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that it is acquiring the Nil Paid Rights and/or the Rights Shares in an "offshore transaction" within the meaning of Regulation S under the US Securities Act;

- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an "offshore transaction" as defined in Regulation S under the US Securities Act;

- he/she/it has not been offered the Rights Shares by means of any "directed selling efforts" as defined in Regulation S under the US Securities Act;

- he/she/it is not acquiring Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the United States; and

- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the Nil Paid Rights and Rights Shares are being distributed and offered only outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the Nil Paid Rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar, by not later than 4:00 p.m. on Wednesday, 14 April 2021. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to

"**TRICOR TRUST (HONG KONG) LIMITED — A/C NO. 26**" and crossed "**Account Payee Only**". Qualifying Shareholders should note that they may apply for a number of Rights Shares equal to or less than the number set out in the PAL (by following the instructions in the paragraphs headed "Transfer and "Splitting" of Nil Paid Rights" below).

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Wednesday, 14 April 2021, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedure to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights 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 and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue (as set out in the paragraphs headed "Conditions of the Rights Issue and the Underwriting Agreement" below) are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the Nil Paid Rights have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the registers of members or the transfer form, at their own risk on or around Wednesday, 21 April 2021.

Transfer and "Splitting" of Nil Paid Rights

The Nil Paid Rights can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on Thursday, 1 April 2021 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the Nil Paid Rights.

Having "split" the Nil Paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its Nil Paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its Nil Paid Rights. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by not later than 4:00 p.m. on Wednesday, 14 April 2021.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

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.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than through CCASS)

Subscription for Rights Shares provisionally allotted and transfers and "splitting" of Nil Paid Rights

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder in respect of your Shares, or sell the respective Nil Paid Rights or "split" those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or "splitting" of the Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed "EXPECTED TIMETABLE" of this prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and "splitting" of Nil Paid Rights

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil Paid Rights or "split" those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or "splitting" of the Nil Paid Rights.

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

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners' interests in Nil Paid Rights should be dealt with.

Application for Excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) shall be entitled to apply, by way of excess applications, for (i) any unsold Rights Shares which would have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders; (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of Nil Paid Rights; and (iii) any unsold aggregated fractions of Nil Paid Rights.

Action to be taken by Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

Applications for excess Rights Shares can be made only by Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by completing an EAF and lodging the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for at the Registrar by a time which is currently expected to be 4:00 p.m. on Wednesday, 14 April 2021 or such later time as may be agreed in writing between the Company and the Underwriter.

All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to " **TRICOR TRUST (HONG KONG) LIMITED — A/C NO. 27**" and crossed "**Account Payee Only**". The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and reasonable basis and as far as practicable according to the principle that any excess Rights Shares will be allocated to the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for but no preference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) who applies for excess Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots.

Important notice to Beneficial Owners: Beneficial Owners whose Shares are held by a Registered Shareholder (or which are deposited in CCASS) should note that the Board will regard the

Registered Shareholder (including HKSCC Nominees Limited) as a single Shareholder as shown on the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Shareholder (or which are deposited in CCASS) should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights 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. An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder (other than a PRC Southbound Trading Investor), the amount tendered on application is expected to be refunded to that Qualifying Shareholder (other than a PRC Southbound Trading Investor) in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or around Wednesday, 21 April 2021. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder (other than a PRC Southbound Trading Investor) is less than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or around Wednesday, 21 April 2021.

If the conditions of the Rights Issue (as set out in the paragraphs headed "Conditions of the Rights Issue and the Underwriting Agreement" below) are not fulfilled, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the registers of members, at their own risk on or around Wednesday, 21 April 2021.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed "EXPECTED TIMETABLE" of this prospectus and otherwise in accordance with the requirements of the Registered Shareholder, in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed "EXPECTED TIMETABLE" of this prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

The procedures for application for excess Rights Shares by CCASS Participants shall be in accordance with the "General Rules of CCASS", the "CCASS Operational Procedures" and any other requirements of CCASS.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

ADS Holders

As at the Latest Practicable Date, 2,660,236 ADSs were outstanding (representing approximately 0.14% of the total issued Shares). Because the Rights Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the US, the Rights Shares are not being offered to ADS Holders, and Deutsche Bank Trust Company Americas (the "Depositary"), the depositary appointed in respect of the ADSs, will not be permitted to pass the Nil Paid Rights offered hereby on to the ADS Holders. Under the Company's deposit agreement with the Depositary, the Depositary has discretion, after consultation with the Company, as to the procedure to be followed in disposing of such Nil Paid Rights on behalf of the ADS Holders, and in making the net proceeds available to such holders or, if such procedure is not available, to allow the Nil Paid Rights to lapse. After consulting with the Depositary, the Company understands that the Depositary intends to sell the Nil Paid Rights in Hong Kong and distribute the net proceeds to ADS Holders.

The Rights Shares may be "restricted securities" within the meaning of Rule 144(a)(3) of the US Securities Act, and therefore may not be deposited into any unrestricted depositary receipt facility established or maintained by any depositary bank, including but not limited to, the existing ADR facility maintained by the Depositary, unless at the time of deposit such Rights Shares are no longer "restricted securities" within the meaning of Rule 144(a)(3) of the US Securities Act.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date:	27 January 2021, amended on 2 March 2021
Issuer:	The Company
Underwriter:	Imagi Brokerage Limited
Number of Rights Shares to be underwritten:	not less than 943,605,781 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date) and not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date) *(Note)*
Underwriting commission:	1⅝% (one and five-eighths percent) of the sum resulting from multiplying the Subscription Price by the number of Underwritten Shares.

Note: The maximum number of Underwritten Shares of 956,953,281 as referred to in the Announcement was calculated based on the number of Shares and outstanding Share Options as at the date of the Announcement. As 1,925,000 Share Options had lapsed since the date of the Announcement, as at the date of this prospectus, not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date) will be issued on the basis of one (1) Rights Share for every two (2) Shares. Accordingly, the number of underwritten shares will be not more than 955,990,781 Rights Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date).

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

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Underwriter and its associates did not hold any Shares as at the Latest Practicable Date. The Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter is a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO and its ordinary course of business includes underwriting of securities. The Underwriter is also licensed to carry on Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

(i) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to conditions and the subsequent satisfaction of such conditions (if any);

(ii) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by the Directors (or by their agents duly authorised in writing) on or before Posting Date in compliance with the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;

(iii) the despatch of the Prospectus Documents to the Qualifying Shareholders by no later than the Posting Date; and

(iv) the Underwriter having not terminated the Underwriting Agreement pursuant to the terms thereof.

If any of the conditions set out in the above paragraphs has not been fulfilled in all respects by or at the time and/or date specified therefor (or if no time or date is specified, 4:00 p.m. Thursday, 15 April 2021) (or such later date(s) as the Underwriter may agree in writing with the Company) or if the Underwriting Agreement shall be terminated pursuant to the termination clause of the Underwriting Agreement, the obligations of the Underwriter and (save as hereinafter referred to) the Company under the Underwriting Agreement shall *ipso facto* cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement, and Rights Issue will not proceed.

The Underwriter may, by notice in writing to the Company, served prior to the Latest Time for Termination, terminate the Underwriting Agreement if at any time between the date hereof and the Latest Time for Termination, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise or exist:

(a) the Underwriter shall become aware of the fact that any of the representations or warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or

(b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets in Hong Kong, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, Bermuda, the PRC or Germany) occurs which in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(c) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, Bermuda, the PRC or Germany;

(ii) any change of an exceptional nature in local, national or international equity securities or currency markets in Hong Kong;

(iii) any change in local, national or international financial, political, industrial or economic conditions affecting Hong Kong;

(iv) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;

(v) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, Bermuda or Germany; or

(vi) any act of God, war, riot, public disorder, civil commotion, terrorism, strike or lock-out involving or affecting Hong Kong;

which event or events is or are in the reasonable opinion of the Underwriter:

(1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or

(2) so material as to make it impracticable, inadvisable or inexpedient to proceed further with the Rights Issue,

then and in such case, the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company, terminate the Underwriting Agreement forthwith.

Upon the giving of notice of termination as aforesaid, all obligations of the Underwriter hereunder shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save for any antecedent breach.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Changes in the Shareholding Structure of the Company arising from the Rights Issue

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

Scenario 1

As at the Latest Practicable Date, the Company had 1,887,211,562 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date, and (ii) immediately after completion of the Rights Issue, assuming no issue of new Shares or repurchase of Shares up to completion of the Rights Issue save for the Rights Shares:

			Immediately after completion of Rights Issue			
	As at the Latest Practicable Date		**Assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full**		**Assuming no Qualifying Shareholders take up any of the Rights Shares and the Underwriter takes up the Rights Shares in full**	
Name of Shareholders	**Number of Shares**	**Approx. %**	**Number of Shares**	**Approx. %**	**Number of Shares**	**Approx. %**
Substantial Shareholder						
Ms. Lo *(Note 2)*	490,086,200	25.97	735,129,300	25.97	490,086,200	17.31
Other Shareholders	1,397,125,362	74.03	2,095,688,043	74.03	1,397,125,362	49.36
The Underwriter (*Note 3*)	—	0.00	—	0.00	136,905,781	4.84
First Sub-underwriter *(Note 4)*	—	0.00	—	0.00	542,700,000	19.17
Second Sub-underwriter *(Note 4)*	—	0.00	—	0.00	264,000,000	9.33
Total	1,887,211,562	100.00	2,830,817,343	100.00	2,830,817,343	100.00

Scenario 2

Assuming all outstanding Share Options are exercised and all Option Shares are allotted and issued on or before the Record Date, and no further issue of new Shares or repurchase of Shares up to completion of the Rights Issue save for the Rights Shares and Option Shares:

			Immediately after completion of Rights Issue			
	As at the Latest Practicable Date		Assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Assuming no Qualifying Shareholders take up any of the Rights Shares and the Underwriter takes up the Rights Shares in full	
Name of Shareholders	**Number of Shares**	**Approx. %**	**Number of Shares**	**Approx. %**	**Number of Shares**	**Approx. %**
Substantial Shareholder						
Ms. Lo *(Note 2)*	490,086,200	25.63	735,129,300	25.63	490,086,200	17.09
Other Shareholders						
Outstanding Share Options being exercised in full	24,770,000	1.30	37,155,000	1.30	24,770,000	0.86
Other Public Shareholders	1,397,125,362	73.07	2,095,688,043	73.07	1,397,125,362	48.72
The Underwriter (*Note 3*)	—	0.00	—	0.00	149,290,781	5.21
First Sub-underwriter *(Note 4)*	—	0.00	—	0.00	542,700,000	18.92
Second Sub-underwriter *(Note 4)*	—	0.00	—	0.00	264,000,000	9.21
Total	1,911,981,562	100.00	2,867,972,343	100.00	2,867,972,343	100.00

Notes:

1. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

2. As at the Latest Practicable Date, each of Ms. Lo and North Point Talent Limited was a Substantial Shareholder of the Company. 490,086,200 Shares represent the aggregate of (i) 243,188,400 Shares held by North Point Talent Limited and (ii) 246,897,800 Shares held by Ms. Lo. Ms. Lo was the sole shareholder of North Point Talent Limited as at the Latest Practicable Date. Therefore, she was deemed to be interested in the 243,188,400 Shares held by North Point Talent Limited under the SFO.

3. Pursuant to the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations:

   (i) the Underwriter shall ensure (a) that the subscribers for any Underwritten Shares (collectively the "**Relevant Subscribers**") are independent of and not connected or acting in concert with the Directors, chief executive or Substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates and (b) that no such Relevant Subscriber shall be procured if allotment and issue of any Rights Shares to it would result in it and persons acting in concert with it, when aggregated with the total number of Shares (if any) already held by them, holding more than 29.9% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue;

   (ii) the Underwriter shall procure each of the subscribers and their respective associates shall not, together with any party acting in concert with it or its associates, hold 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue;

   (iii) the Underwriter undertakes that in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to their underwriting/ sub-underwriting obligations, (a) the Underwriter will not and shall procure that each sub-underwriter will not, whether by itself or together with the parties acting in concert with it (if any), own 29.9% or more of the issued share capital of the Company immediately after the Rights Issue; and (b) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

4. Pursuant to the sub-underwriting agreement ("**First Sub-underwriting agreement**") between the Underwriter with Oshidori Securities Limited ("**First Sub-underwriter**"), the First Sub-underwriter (as one of the sub-underwriters) has agreed to accept the Sub-underwriting participation of 542,700,000 Underwritten Shares subject to the terms and condition of the First Sub-underwriting agreement and the Underwriting Agreement and the Rights Issue becoming unconditional pursuant to the terms of the Underwriting Agreement. Pursuant to the sub-underwriting agreement ("**Second Sub-underwriting agreement**") between the Underwriter and Hope Securities Limited ("**Second Sub-underwriter**"), the Second Sub-underwriter (as one of the sub-underwriters) has agreed to accept the Sub-underwriting participation of 264,000,000 Underwritten Shares subject to the terms and condition of the Second Sub-underwriting agreement and the Underwriting Agreement and the Rights Issue becoming unconditional pursuant to the terms of the Underwriting Agreement.

   To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the Latest Practicable Date:

   (i) both the First Sub-underwriter and the Second Sub-underwriter were Independent Third Parties;

   (ii) the Underwriter and its associates held 114,342,857 shares in Oshidori International Holdings Limited ("Oshidori"), a company whose shares are listed on the Stock Exchange with stock code 622, representing approximately 1.87% of the total issued share capital of Oshidori, which indirectly owned the entire issued share capital of the First Sub-underwriter; and Oshidori and its associates held 158,383,200 shares in Imagi International Holdings Limited ("Imagi"), a company whose shares are listed on the Stock Exchange with stock code 585, representing approximately 19.08% of the total issued share capital of Imagi, which indirectly owned the entire issued share capital of the Underwriter; and

   (iii) the Second Sub-underwriter was a third party independent of the Underwriter and its associates.

   As at the Latest Practicable Date, the First Sub-underwriter and the Second Sub-underwriter had procured six independent placees ("**Placees**") and each of them would subscribe for less than 5% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue. The Underwriter shall procure that none of the Underwriter, sub-underwriters and Placees would become a substantial shareholder of the Company immediately after completion of the Rights Issue. To the best of the Underwriter's knowledge and belief and according to the information available to it, the six Placees are not parties acting in concert.

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

The Underwriting Agreement contains provisions granting the Underwriter a right to terminate its obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed "TERMINATION OF THE UNDERWRITING AGREEMENT" of this prospectus for further details.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions are not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The Shares have been dealt in on an ex-rights basis from Thursday, 18 March 2021. Dealings in the Nil Paid Rights are expected to take place from Tuesday, 30 March 2021 to Friday, 9 April 2021 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the Nil Paid Rights up to the date on which the condition to the Rights Issue is fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group principally engages in retail and wholesale distribution and licensing of quality fashion and non-apparel products designed under its own world-renowned Esprit brand name.

Deteriorating earnings and financial positions

The loss attributable to the Shareholders was HK$3,992 million for the year ended 30 June 2020, representing an increase of 86.19% as compared to the loss of HK$2,144 million for the year ended 30 June 2019. The overall sales have undergone continuous shrinkage and the revenue of the Company was HK$9,216 million for the year ended 30 June 2020, representing a decrease of 21.10% as compared to that of HK$11,681 million for the year ended 30 June 2019. The closure of retail stores might further adversely affect the revenue of the Group in the near future.

The cash, bank balances and deposits of the Group has dropped by 30.29% from the balance of HK$3,282 million as at 30 June 2019 to HK$2,288 million as at 30 June 2020 and the net assets value of the Group has dropped by 58.74% from the amount of HK$6,713 million as at 30 June 2019 to HK$2,770 million as at 30 June 2020.

The existing loan facilities of the Group are either on hold or expired. In view of above, the Directors consider that a strong cash position is required for the quick replenishment of liquidity. With the additional cash from the Rights Issue, the Group will be in a better position to finance the working capital and thus enhancing the overall trading capacity of the Group and to improve its revenue and profits.

Benefits of the Rights Issue

The Board considers that the Rights Issue is a beneficial and reasonable opportunity for the Company to strengthen its financial position after having considered that:

(i) the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and to continue to participate in the future development of the Company should they wish to do so;

(ii) the discount of the Subscription Price to the prevailing market price enhances the attractiveness of the Rights Issue as it is the Company's objective to encourage the participation of the Qualifying Shareholders in the Rights Issue;

(iii) after considering other alternative fund-raising methods, it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise;

(iv) the Rights Issue allows the Shareholders to have more flexibility in dealing in the nil-paid rights attaching thereto; and

(v) the Rights Issue enables the Company to raise the necessary funds with more certainty as it (except for the part irrevocably undertaken by its substantial shareholder) will be fully underwritten by the Underwriter.

Use of Proceeds

The estimated gross proceeds of the Rights Issue will be not less than HK$707,704,335.75 (assuming no further issue or repurchase of Shares on or before the Record Date) and not more than HK$716,993,085.75 (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercising of outstanding Share Options in full on or before the Record Date). The corresponding estimated net proceeds of the Rights Issue, after deducting the related expenses, will be not less than HK$689 million and not more than HK$699 million. The proceeds are intended to be used as general working capital of the Group in the following manner:

(i) approximately HK$300 million towards information technology and transformation expenses including the following: (a) approximately HK$70 million to be applied towards systems upgrade and data migration; (b) approximately HK$45 million for the development of new internal information technology resources; and (c) approximately HK$185 million for the development of a new overarching e-commerce sales channel (as further detailed in the subsection headed "— *Information technology transformation*" below); and

(ii) the remaining proceeds will be applied towards administrative and other expenses and it is expected that the proceeds allocated will be fully utilised in the first half of 2021. The allocation for such expenses includes but is not limited to rental expenses, marketing and logistics expenses, utilities and maintenance expenses, salaries and remuneration, legal and professional expenses as follows:

Administrative and other expenses	***Proposed application of net proceeds***
Rental expenses	approximately HK$110 million
Marketing and logistics expenses	approximately HK$90 million
Utilities and maintenances expenses	approximately HK$19 million
Salaries and remuneration	approximately HK$150 million
Legal and professional expenses	approximately HK$20 million

Information technology transformation

The information technology transformation is expected to involve the following:

- ***Systems upgrade and data migration***: Projects within this category include a Customer Relation Management system and analytics upgrade, new loyalty system, data centralization to Microsoft Datalake, new design tools to optimize design and production, upgrade in-store applications, inventory improvements and product data improvements. These projects will benefit the Group by enabling new capabilities and more flexibility to react to the market. These projects are targeted to start in the first half of 2021 and most will continue to the first half of 2022. The expected implementation procedures for system upgrades after the selection stage will be to implement a parallel run with the legacy system, evaluate the stability and performance, migrate existing functionality to the new system and customise the functionality as necessary.

- ***Development of new internal information technology resources***: An internal team of information technology specialists will be established to take over a number of key functions that are currently outsourced. This is expected to save costs in the long run and improve efficiency by eliminating the reliance on external consultants. Replacements will begin in the first half of 2021 and will continue in phases.

- ***Development of a new overarching e-commerce sales channel***: This includes a new 'business-to-business' system to upgrade from legacy systems, new salesforce e-commerce sales channel and licenses, new global logistics and a new order management system. These projects will enable faster time to market and a better customer experience. Upgrades have already been initiated and will continue through to at least the second half of 2022. As mentioned above, while the new systems are being developed, existing systems will be run in parallel.

Other fund-raising alternatives considered by the Company

In order to reduce the level of indebtedness and improve the financial position, save for the Rights Issue, the Group has considered other fund-raising alternatives including but not limited to debt financing and equity financing such as the placing of new Shares and open offer.

With respect to debt financing, the management of the Company has approached certain banks but was unable to obtain loan facilities on favourable terms. The existing loan facilities of the Group are either on hold or expired. The management of the Company has explored the possibility of obtaining unsecured loans or issuing bond instruments but has not secured any assistance from the banks and/or underwriters in this regard. In addition, the Company is reluctant to obtain additional short-term financing from smaller financial institutions which generally charge higher interest rates, and the Board considers it is not practicable or commercially viable to obtain borrowings of the same size as the amount raised from the Rights Issue in a relatively short period of time. Furthermore, equity financing will also improve the financial structure of the Company. Hence, equity financing is a better and more viable option than debt financing for the Company.

With respect to equity financing, the Board considers that placing of new Shares would be a suboptimal fund-raising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. The Board has also considered conducting pro rata fund-raising by way of open offer, which is of similar nature as the Rights Issue. Under the Rights Issue, nil-paid Rights Shares will be allotted to the Qualifying Shareholders and they can liquidate their entitlement rights by disposing such nil-paid Rights Shares during the prescribed period of time for economic benefits (if they do not wish to subscribe for the Rights Shares). However, under an open offer, there are no nil-paid rights shares to be allotted and the Shareholders cannot realise and liquidate their entitlement rights. Therefore, the Rights Issue would be more favorable as it offers the Qualifying Shareholders an option to sell their entitlement rights when comparing with an open offer.

Shareholders are advised that for Qualifying Shareholders who do not take up Rights Shares to which they are entitled should note that their respective shareholdings in the Company will be diluted.

Taking into account the above, the Board is of the view that the Rights Issue would be the preferred means for the Group to raise funds over other alternatives.

In light of the foregoing, the Board is of the view that the implementations of the Rights Issue and the transactions contemplated hereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The Company contemplates to conduct further fund raising activities subsequent to the Rights Issue when suitable and advantageous opportunities arise to further replenish the Group's working capital, but the Company had not entered into any negotiation and agreement with any party in relation to the further fund raising activities as at the Latest Practicable Date.

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 and/or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Nil Paid Rights on their behalf.

EQUITY FUND RAISING EXERCISE OF THE COMPANY

The Company has not engaged in, or initiated, any equity fund raising exercises (including any rights issue exercise) during the 12 months immediately preceding the date of this prospectus. Company has no present intention to raise any additional capital in the future.

SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE

In accordance with Rule 7.19A of the Listing Rules, as the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of the Announcement, and the Rights Issue will not increase the issued share capital of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders at a general meeting.

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As a result of the Rights Issue, the exercise prices of, and/or the number or nominal amount of Shares subject to, the outstanding Share Options may be adjusted in accordance with the terms and conditions of the Share Option Schemes. The Company will make further announcement on the appropriate adjustments (if any) and the date they are expected to take effect in due course.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Esprit Holdings Limited
CHIU Christin Su Yi
Acting Executive Chairman

SUMMARY OF FINANCIAL RESULTS

The audited consolidated financial statements of the Group for the three financial years ended 30 June 2020 together with the relevant notes thereto are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.espritholdings.com):

- pages 76 to 137 in the annual report of the Company for the financial year ended 30 June 2020 published on 16 November 2020;
- pages 76 to 126 in the annual report of the Company for the financial year ended 30 June 2019 published on 15 October 2019; and
- pages 68 to 115 in the annual report of the Company for the financial year ended 30 June 2018 published on 12 October 2018.

INDEBTEDNESS

Borrowings, overdrafts and lease liabilities

As at the close of business on 31 January 2021, being the latest practicable date for the purpose of this indebtedness statement, the indebtedness of the Group was as follows:

(i) secured and interest free bank borrowings of approximately HK$9 million;

(ii) unsecured and unguaranteed bank overdrafts of approximately HK$0.5 million; and

(iii) lease liabilities of approximately HK$3,010 million.

Contingent liabilities

At the close of business on 31 January 2021, the Group had no material contingent liabilities.

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities and payables in the Group's ordinary course of business, as at the close of business on 31 January 2021, the Group did not have any outstanding borrowings, mortgages, charges, debentures or debt securities issued and outstanding, authorised or otherwise created but unissued, or other similar indebtedness, hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

WORKING CAPITAL

Strict lockdown measures (including those impacting retail stores) for extended periods may negatively affect the financial condition of the Group. These circumstances and uncertainties may cast a significant doubt over the Group's ability to continue as a going concern. In view of such circumstances and the uncertainties relating to the possible impact of the COVID-19 pandemic (the "**Pandemic**"), the Board of Directors has reviewed the Group's cash flow forecast prepared by management covering a period of 12 months from the date of the Prospectus. The Directors are of the opinion that, after taking into consideration of the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next 12 months from the date of this prospectus:

(i) the Group remains cautious and management is closely monitoring the latest developments of the Pandemic, including the emergence of further lockdown measures, which may adversely impact revenues in the major markets that the Group operates in. In such eventuality, the Group will reassess the impact of the Pandemic on the Group's operations and adjust its strategies for the Group's business accordingly in order to generate sufficient cash from its operations and to further preserve cash levels;

(ii) the Group will finalize the optimisation process for the cost base of its business and implement cost reduction measures, including negotiating with landlords on loss-making store closures, rent reductions on remaining stores, reducing headcount and other discretionary spending;

(iii) the Group will continue to work on its Strategic Plan to strengthen the Group's brand identity and improve product offering and pricing to restore the Group's profitability; and

(iv) the Group will complete the proposed rights issue and receive the proceeds from the proposed rights issue on a timely basis.

Notwithstanding, significant uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) the Group's ability to successfully adjust its strategies to mitigate the implications of these uncertainties and any further impact from the Pandemic, including the emergence of further lockdown measures in the major markets that the Group operates in, in order to generate sufficient cash from its operations and to further preserve cash levels;

(ii) the successful implementation of the Group's costs optimization and reduction measures, including negotiating with landlords on loss-making stores closures, rent reductions on remaining stores, reducing headcount and other discretionary spending;

(iii) the successful implementation of the Group's Strategic Plan to strengthen the Group's brand identity and improving product offering and pricing to restore the Group's profitability; and

(iv) the successful completion of the proposed rights issue and timely receipt of proceeds from the proposed rights issue.

MATERIAL ADVERSE CHANGE

As disclosed in the announcements of the Company dated 27 March 2020 and 1 July 2020 (the "**PSP Announcements**"), each of six subsidiaries of the Company (collectively, the "**Subject Subsidiaries**"), details of which are set out in the PSP Announcements, has applied for the initiation of protective shield proceedings (the "**Protective Shield Proceedings**"), i.e. restructuring proceedings in self-administration pursuant to section 270b of the German Insolvency Act as a proactive and forward-looking measure in order to protect the solvency and liquidity of the Group and ongoing business operations of the Group in the midst of the recent outbreak of the novel coronavirus (COVID-19).

As disclosed in the announcements of the Company dated 1 November 2020 and 30 November 2020, the creditors concerned approved in a creditors' meetings the restructuring plans concerning the Subject Subsidiaries on 29 and 30 October 2020, and on 30 November 2020, the insolvency court of Düsseldorf in Germany (the "**Insolvency Court**") has passed a final resolution to terminate the Protective Shield Proceedings/insolvency proceedings in self-administration of the Subject Subsidiaries (the "**Insolvency Proceedings**").

Since 1 July 2020, pursuant to the International Financial Reporting Standard 10, the Group had been regarded as not controlling the Subject Subsidiaries and therefore, the Subject Subsidiaries had been de-consolidated (i.e. equity method adopted) in the Company's accounts. Upon the termination of the Insolvency Proceedings by the Insolvency Court, the Company has regained control over the Subject Subsidiaries and accordingly fully consolidate the Subject Subsidiaries (i.e. full consolidation method will be adopted) in the Company's accounts again.

Save for the Protective Shield Proceedings / Insolvency Proceedings as disclosed in the PSP Announcements, as at the Latest Practicable Date, the Directors were not aware of any other material adverse change in the financial or trading position of the Group since 30 June 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

FINANCIAL AND OPERATING PROSPECTS

The Group principally engages in the retail and wholesale distribution and licensing of quality fashion and non-apparel products designed under its own world-renowned Esprit brand name.

The management of the Company considers that the global economy for 2020 had teetered on the brink of collapse due to the onslaught of the COVID-19 pandemic with the immediate outlook as at the Latest Practicable Date remaining bleak and uncertain. The Board believes that traditional retail businesses were hard hit by the various pandemic countermeasures such as social distancing and lock-downs, and we understand that other established retail chains had struggled to stay in business and some have had to implement store closures. In respect of the Group, the Board notes that:

- For the year ended 30 June 2020, the Group reported a revenue of HK$9,216 million and a loss of HK$3,992 million, the lowest revenue in the last 18 years and the highest loss in the last 7 years, respectively. As at 30 June 2020, the Group reported a net asset value of HK$2,770 million, which was the lowest in the last 18 years.

- While Germany had contributed 52% to the Group's total revenue for the year ended 30 June 2020, on 27 March 2020, the Subject Subsidiaries of the Group incorporated in Germany applied for Protective Shield Proceedings (i.e. restructuring proceedings in self-administration, pursuant to section 270b of the German Insolvency Act) in order to protect the solvency and liquidity of our Group and the ongoing business operations in the midst of the COVID-19 pandemic. On 30 November 2020, the insolvency court of Düsseldorf in Germany passed a final resolution to terminate the Protective Shield Proceedings/insolvency proceedings in self-administration of the Subject Subsidiaries.

Looking ahead, the Board considers there to be uncertainties in respect of roll-out of the vaccination against the COVID-19, and as a result the business environment will remain difficult for the Group in the near future. The Board remains pessimistic about the financial and operating prospects of the Group, and the Company contemplates to conduct further fund raising activities subsequent to the Rights Issue when opportunities arise and if needed to further replenish the Group's working capital, but the Company had not entered into any negotiation and agreement with any party in relation to the further fund raising activities as at the Latest Practicable Date.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 30 June 2020. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

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

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company (the "**Unaudited Pro Forma Financial Information**") which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2020.

The Unaudited Pro Forma Information has been prepared by the Directors for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group upon the completion of the Rights Issue or at any future date.

	Consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2020 *(Note 1)*	**Estimated net proceeds from the Rights Issue** *(Note 2)*	**Unaudited pro forma adjusted net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2020**	**Unaudited pro forma adjusted net tangible assets per Share as at 30 June 2020** *(Note 3)*
	HK$'million	*HK$'million*	*HK$'million*	*HK$*
Based on 943,605,781 Rights Shares to be issued at the Subscription Price of HK$0.75 per Rights Share	1,129	689	1,818	0.64

Notes:

(1) The amount of consolidated net tangible assets of the Group attributable to the equity holders as at 30 June 2020 is based on the consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2020 of HK$2,770 million after deducting intangible assets of the Group attributable to the equity holders of the Company as at 30 June 2020 of HK$1,641 million as extracted from the Company's annual report for the year ended 30 June 2020.

As at 30 June 2020, the Group has a going concern matter as stated in Note 1.2.1 of the published annual report for the year ended 30 June 2020, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. The financial information has been prepared in conformity with the principles applicable to a going concern basis.

(2) The estimated net proceeds from the Rights Issue are based on 943,605,781 Rights Shares to be issued at the subscription price of HK$0.75 per Rights Share, after deduction of the estimated related expenses of approximately HK$18.24 million to be incurred by the Company and take no account of any additional Shares or Rights Shares to be issued as a result of the exercise of any vested Share Options.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to the equity owners of the Company per Share is calculated after the adjustment reflected in Note 2 above and on the basis that 2,830,817,343 shares were in issue assuming the Rights Issue had been completed on 30 June 2020.

Assuming full exercise of the outstanding 24,770,000 Share Options and subscription rights attaching to the Share Options, the unaudited pro forma adjusted consolidated net tangible assets (including proceeds from full exercise of the Share Options of HK$211 million and subscription rights attaching to the Share Options of HK$9 million) per share is HK$0.71 per Share. The calculation is illustrated in below table.

	Consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2020 *(Note 1)*	**Proceeds from full exercise of the Share Options**	**Estimated net proceeds from the Rights Issue**	**Unaudited pro forma adjusted net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2020**	**Unaudited pro forma adjusted net tangible assets per Share as at 30 June 2020**
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*	*HK$*
Based on 955,990,781 Rights Shares to be issued at the Rights Subscription Price of HK$0.75 per Rights Share	1,129	211	699	2,039	0.71

(4) No adjustments have been made to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2020.

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

pwc 羅兵咸永道

B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Esprit Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Esprit Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2020 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages II-1 to II-2 of the Company's prospectus dated 26 March 2021, in connection with the proposed rights issue of the Company (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group's financial position as at 30 June 2020 as if the proposed rights issue had taken place at 30 June 2020. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 30 June 2020, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Our firm applies Hong Kong Standard on Quality Control 1 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 Accountant's Responsibilities

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

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

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

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 30 June 2020 would have been as presented.

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

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, 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 purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 26 March 2021

RESPONSIBILITY STATEMENT

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

SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date were and (ii) immediately following completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue) are expected to be as follows:

(a) As at the Latest Practicable Date:

Authorised share capital	*HK$*
3,000,000,000 Shares	300,000,000.00
Issued and paid up share capital	*HK$*
1,887,211,562 Shares	188,721,156.20

(b) Upon completion of the Rights Issue

Rights Shares to be issued	*HK$*
943,605,781 Shares (assuming no further issue or repurchase of Shares on or before the Record Date)	94,360,578.10
955,990,781 Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercise of the outstanding Share Options in full on or before the Record Date)	95,599,078.10
Shares in issue upon completion of the Rights Issue	*HK$*
2,830,817,343 Shares (assuming no further issue or repurchase of Shares on or before the Record Date)	283,081,734.30
2,867,972,343 Shares (assuming no further issue or repurchase of Shares other than the issue of Shares upon the exercise of the outstanding Share Options in full on or before the Record Date)	286,797,234.30

(c) Share Options

Details of the outstanding Share Options as at the Latest Practicable Date were as follows:

(i) Share option scheme adopted by the Company on 10 December 2009

Grantees	Number of underlying Shares subject to Share Options	Date of grant	Exercise Price (HK$ per share)	Exercise period From	Exercise period To
Former directors:					
MARTÍNEZ GUTIÉRREZ Jose Manuel	3,000,000	11 March 2013	10.04	11 March 2016	10 March 2023
	1,000,000	11 March 2013	10.04	11 March 2017	10 March 2023
	1,000,000	11 March 2013	10.04	11 March 2018	10 March 2023
	400,000	4 November 2013	14.18	4 November 2016	3 November 2023
	400,000	31 October 2014	10.124	31 October 2017	30 October 2024
TANG Wing Yung Thomas	1,500,000	11 March 2013	10.04	11 March 2016	10 March 2023
	400,000	11 March 2013	10.04	11 March 2017	10 March 2023
	400,000	11 March 2013	10.04	11 March 2018	10 March 2023
	300,000	4 November 2013	14.18	4 November 2016	3 November 2023
	300,000	31 October 2014	10.124	31 October 2017	30 October 2024
FRIEDRICH Jürgen Alfred Rudolf	110,000	30 June 2014	11.00	30 June 2015	29 June 2024
	500,000	28 September 2018	1.884	28 September 2019	27 September 2028
OR Ching-Fai Raymond	450,000	30 June 2014	11.00	30 June 2015	29 June 2024
LEE Ka Sze Carmelo	100,000	30 June 2014	11.00	30 June 2015	29 June 2024
	500,000	28 September 2018	1.884	28 September 2019	27 September 2028
Sub-total	10,360,000				
Employees / Former employees	12,910,000	From 27 September 2011 to 7 November 2017	Between 4.65 and 14.18	From 27 September 2014 to 7 November 2020	From 26 September 2021 to 6 November 2027
Total	**23,270,000**				

(ii) Share option scheme adopted by the Company on 5 December 2018

Grantees	Number of underlying Shares subject to Share Options	Date of grant	Exercise Price (HK$ per share)	Exercise period From	Exercise period To
Former directors:					
FRIEDRICH Jürgen Alfred Rudolf	500,000	10 December 2019	1.604	19 September 2020	9 December 2029
LEE Ka Sze Carmelo	500,000	10 December 2019	1.604	19 September 2020	9 December 2029
ZERBIB Sandrine Suzanne Eleonore Agar	500,000	10 December 2019	1.604	10 December 2020	9 December 2029
Total	**1,500,000**				

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank pari passu with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company had not issued any Shares since 30 June 2020, being the date to which the latest published audited accounts of the Group were made up, and up to the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 24,770,000 outstanding Share Options, which entitle the Share Option holders to convert their respective Share Options into a total of 24,770,000 Option Shares. Save for the aforesaid Share Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

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

DIRECTORS' INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the Latest Practicable Date, as far as was known to the Directors, the interests or short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity	Beneficial interest in the Shares	Approximately percentage of aggregate interest to total issued share capital
DALEY Mark David	Interests held jointly with another person *(note 1)*	600,000	0.03%

Notes:

1 The interests of 600,000 Shares were jointly held by Mr. DALEY Mark David. and his wife Ms. GRIFFITH Tracy Lee.

2 Interests disclosed above represent long position in the shares of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name of shareholders	Capacity	Number of Shares (Long position)	Approximate percentage of aggregate interest to total issued share capital
Ms. Lo *(note 1)*	Beneficial owner	246,897,800	25.97%
	Interest in a controlled corporation	243,188,400	
North Point Talent Limited *(note 1)*	Beneficial owner	243,188,400	12.89%
Marathon Asset Management LLP *(note 2)*	Investment manager	168,610,148	8.93%

Notes:

1 As at the Latest Practicable Date, each of Ms. Lo and North Point Talent Limited was a Substantial Shareholder of the Company. 490,086,200 Shares represent the aggregate of (i) 243,188,400 Shares held by North Point Talent Limited and (ii) 246,897,800 Shares held by Ms. Lo. Ms. Lo was the sole shareholder of North Point Talent Limited as at the Latest Practicable Date. Therefore, she was deemed to be interested in the 243,188,400 Shares held by North Point Talent Limited under the SFO.

2 As at the Latest Practicable Date, Marathon Asset Management LLP was 40.05%, 40.05% and 19.90% controlled by Mr. ARAH William, Mr. OSTRER Neil and Marathon Asset Management (Services) Limited respectively.

DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors had, directly or indirectly, any interest in any assets which have since 30 June 2020 (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 were proposed to be acquired or disposed of by or leased to any member of the Group.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective associates were interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses pursuant to the Listing Rules.

MATERIAL LITIGATION

Save for the Protective Shield Proceedings as described in section headed "Material Adverse Change" in Appendix I to this prospectus, as at the Latest Practicable Date, neither the Company nor any members of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened against any members of the Group.

SERVICE CONTRACTS

Mr. DALEY Mark David, an Executive Director of the Company, has entered into a service contract with the Company. In accordance with the Bye-laws of the Company, he is subject to retirement by rotation and re-election at the general meetings of the Company. Mr. DALEY will receive an annual service fee of US$1,000,000 (equivalent to approximately HK$7,750,000) per annum, which has been determined by reference to his background, qualifications and industry experience, as well as duties and responsibilities with the Company's global operations.

Save for Mr. DALEY Mark David, as at the Latest Practicable Date, none of the other Directors had entered into any service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

EXPERT AND CONSENT

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

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)

PricewaterhouseCoopers has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and references to its name in the form and context in which they appear. Such report from PricewaterhouseCoopers is given as at the date of this prospectus for incorporation herein.

As at the Latest Practicable Date, PricewaterhouseCoopers was not beneficially interested in the share capital of any member of the Group or 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 the date to which the latest published audited financial statements 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.

MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, had been entered into by members of the Group within the two years immediately preceding the date of this prospectus and are or may be material:

(a) the Underwriting Agreement;

(b) a joint venture agreement dated 2 December 2019 entered into between Million Success Resources Limited ("**Million Success**"), a subsidiary of the Company, and Mulsanne Group Holding Limited ("**Mulsanne**") in connection with the establishment of a joint venture company in the PRC with a proposed registered capital of RMB100 million held as to 40% and 60% between Million Success and Mulsanne respectively (the "**Joint Venture Agreement**");

(c) a supplementary agreement dated 2 December 2019 executed by Million Success and Mulsanne to include additional terms in the Joint Venture Agreement relating to certain trademark license and transfer (the "**Supplementary Agreement**");

(d) an assignment notice dated 10 February 2020 executed by Mulsanne and Ningbo Chisage Mulsanne Holding Co., Ltd. ("**Ningbo**"), and addressed to Million Success, assigning all rights and obligations of Mulsanne under the Joint Venture Agreement and Supplementary Agreement (including any transaction documents executed in accordance with the Joint Venture Agreement) to Ningbo; and

(e) a supplementary agreement dated 6 March 2020 entered into between Million Success and Ningbo to amend the Joint Venture Agreement relating to special resolution matters.

As disclosed in the Company's announcement of 30 July 2020, as Mulsanne had failed to establish the joint venture company and is therefore in material breach of the terms of the joint venture agreement mentioned in (b) above, Million Success issued a notice of termination dated 30 July 2020 to Mulsanne through its legal advisors, terminating the said joint venture agreement with immediate effect.

CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Clarendon House Church Street Hamilton HM 11 Bermuda
Principal place of business in Hong Kong	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Authorised Representatives	Ms. CHIU Christin Su Yi 27th Floor China United Centre 28 Marble Road North Point Hong Kong Ms. LO Tik Man Ophelia 27th Floor China United Centre 28 Marble Road North Point Hong Kong
Company Secretary	Ms. LO Tik Man Ophelia
Underwriter	Imagi Brokerage Limited Rooms 1610-1611, 16th Floor China United Centre 28 Marble Road North Point Hong Kong
Legal advisers to the Company in relation to the Rights Issue as to Hong Kong law	Dechert 31st Floor, Jardine House One Connaught Place Central Hong Kong

Legal advisers to the Underwriter in relation to the Rights Issue as to Hong Kong law	Lee Law Firm Rooms 2005-11, 20th Floor China United Centre 28 Marble Road North Point Hong Kong
Auditor and reporting accountant of the Company	PricewaterhouseCoopers *Certified Public Accountants* *Registered Public Interest Entity Auditor* 22/F, Prince's Building Central Hong Kong
Principal share registrar of the Company	MUFG Fund Services (Bermuda) Limited 4th Floor North, Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda
Hong Kong branch share registrar and transfer office of the Company	Tricor Secretaries Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers of the Company	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong Deutche Bank AG Königsallee 45-47 40212 Düsseldorf Germany
Financial adviser to the Company	Oshidori Corporate Finance Limited 25th Floor China United Centre 28 Marble Road North Point Hong Kong

PARTICULARS OF DIRECTORS

(a) Name and address of Directors

Name	Business address
Executive Directors	
Ms. CHIU Christin Su Yi	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. DALEY Mark David	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Dr. WAN Yung Ting	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Independent Non-executive Directors	
Mr. CHUNG Kwok Pan	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. GILES William Nicholas	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Ms. LIU Hang-so	27th Floor China United Centre 28 Marble Road North Point Hong Kong
Mr. LO Kin Ching Joseph	27th Floor China United Centre 28 Marble Road North Point Hong Kong

(b) Profiles of Directors

EXECUTIVE DIRECTORS

Ms. CHIU Christin Su Yi

Ms. CHIU, aged 41, has been appointed as an Executive Director of the Company since July 2020 and an Acting Executive Chairman of the Board with effect from 1 January 2021. She is chairman of the Nomination Committee, a member of the Remuneration Committee and the General Committee of the Board, a director of certain subsidiaries of the Company and a trustee of a charitable trust of the Company. Ms. CHIU has extensive experience in corporate finance, securities law matters and regulatory issues. She advises financial institutions, both private and public corporations, hedge funds and private equity funds on securities trading and compliance matters. She graduated from the University of Alberta with a Juris Doctor degree and from McMaster University with a Bachelor of Arts degree, Summa Cum Laude. Ms. CHIU is admitted as an attorney at law in the State of New York in the US, and a barrister and solicitor in the British Columbia Province in Canada.

Previously, Ms. CHIU worked at Hogan Lovells, a leading international firm with offices globally and Remedios and Company, a premier boutique law firm situated in Vancouver, Canada.

Mr. DALEY Mark David

Mr. DALEY, aged 57, has been appointed as an Executive Director and the President and Chief Executive Officer of the Company since December 2020. He is a member of General Committee of the Board and a director of certain subsidiaries of the Company. He is a 35-year retail industry veteran with a wealth of global experience leading brands with exposure in major regional markets including the US, Europe, and Asia Pacific.

Mr. DALEY was most recently the chief executive officer of Billy Reid, where he restructured the business and created a new strategic growth plan for the fashion brand of the award-winning designer, Billy Reid. From 2016 until 2018, Mr. DALEY was the chief executive officer of Augustinus Bader Group, where he teamed with a world leading expert in regenerative medicine to form a company specialising in biotech and consumer goods. He grew the business using a complete vertical digital retail model with the latest technology to connect consumers, and successfully raised capital for the company to accelerate its growth. The group now has a footprint in major markets such as the European Union, United Kingdom, and the US. Prior to this, he was the chief executive officer of Smythson of Bond Street where he created a 5-year growth plan to triple the business through strategic geographic, store and product strategies.

Mr. DALEY served as Group President Asia Pacific of Ralph Lauren from 2010 to 2015. Under Mr. DALEY's leadership, a completely new e-commerce platform and an innovative luxury store model was launched throughout this region. He successfully repositioned and enhanced the brand's prominence in Asia.

From 2008 to 2010 as chief executive officer of Dean & Deluca, Mr. DALEY took significant steps to improve the product offering and strategically launched the international licensing business in the Middle East, Turkey, Korea, Thailand, and Singapore while laying the groundwork for restructuring in Japan. Ultimately through his efforts, the business was successfully sold.

Mr. DALEY began his retail career with DFS Group in 1986 and ended his tenure with the company as Global President of Operations and Business Development in 2008. He guided the company through unprecedented events such as Severe Acute Respiratory Syndrome (SARS), by implementing cost reduction measures and focusing on profitability. He also presciently created a China based team to capitalise on the mainland tourist phenomenon, which grew into the largest part of DFS' business.

Mr. DALEY holds Bachelor's Degrees in both Economics and Sociology from Stanford University.

Dr. WAN Yung Ting

Dr. WAN, aged 40, has been appointed as an Executive Director and the Chief Product Development Officer of the Company since December 2020. She is member of the Risk Management Committee and the General Committee of the Board. Dr. WAN has years of experience in functional fabric and fashion industry. Dr. WAN previously worked in Far Eastern Textile Ltd., focusing on application of functional fabrics and cooperation with functional sports brands. Dr. WAN also has experience working in Asian fashion brands as a brand and image consultant. Dr. WAN was an Assistant Professor for College of Art and Design at Beijing University of Technology. She acted as a consultant to various art galleries and exhibitions both locally and internationally, regularly spoke at art conferences and symposiums, and published over hundreds of articles and critics at academic journals and art publications.

Dr. WAN obtained a PhD in Art Theory from Peking University, a Master of Arts in Arts and Cultural Management from Peking University, and a Bachelor of Engineering in Fiber and Composite Materials from Feng Chia University. She was a Visiting Scholar at The City University of New York (CUNY).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHUNG Kwok Pan

Mr. CHUNG, aged 57, has been appointed as an Independent Non-executive Director of the Company since July 2020. He is a member of the Audit Committee, the Remuneration Committee and the Risk Management Committee of the Board. He has been responsible for the business management of Chungweiming Knitting Factory Limited since early 1988. Mr. CHUNG also has several social positions, including a member of the 5th and 6th Legislative Council of Hong Kong (Textile and Garment Sector), Leader of Liberal Party, Honorary Life Chairman of Hong Kong Apparel Society Limited, a member of Honorary General Committee of The Chinese Manufacturers' Association of Hong Kong, an advisor of New Territories General Chamber of Commerce, a director of Hong Kong Design Centre, Chairman of Design Discipline Advisory Board of Vocational Training Council, Chairman of Fashion Industry Training Advisory

Committee, Education Bureau of Hong Kong and a member of the Advisory Group on Implementation of Fashion Initiatives, The Commerce and Economic Development Bureau of Hong Kong. He was also a member of the 9th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference in 2005.

Mr. CHUNG obtained a Bachelor's degree in Quantity Surveying from Robert Gordon's Institute of Technology, Scotland (currently known as Robert Gordon University, Aberdeen) in July 1986 and a Master's degree in Business Administration from the University of Stirling, Scotland, United Kingdom in May 1988.

He served as an independent non-executive director of SFund International Holdings Limited (previously known as "Hanbo Enterprises Holdings Limited") (stock code: 1367) from June 2014 to November 2016. He has served as an independent non-executive director of High Fashion International Limited (stock code: 608) since July 2019 and an independent non-executive director of Planetree International Development Limited (stock code: 613) since April 2020. These companies are listed on the Stock Exchange.

Mr. GILES William Nicholas

Mr. GILES, aged 58, has been appointed as an Independent Non-executive Director of the Company since December 2020. He is chairman of the Remuneration Committee and the Risk Management Committee, and a member of the Audit Committee and the Nomination Committee of the Board. He is a partner of Hart Giles, Solicitors & Notaries. Mr. GILES has over thirty years of extensive experience in practising law as a specialist in large-scale commercial litigation, insolvency work, restructuring and regulatory investigations. Mr. GILES has acted in numerous cases in the High Court and Court of Appeal concerning civil fraud, white-collar crime, financial services, employment, commercial contracts and shareholder disputes. Mr. GILES has also acted as liquidator of more than 70 companies and has served as an independent non-executive director of PYI Corporation Limited (a company listed on the Main Board of the Stock Exchange, stock code: 498) since February 2021.

Mr. GILES was admitted as a solicitor in England & Wales in 1987 and in Hong Kong in 1990. Prior to that, Mr. GILES had obtained a Bachelor of Laws degree (Hons) from The University of Sheffield in 1984.

Ms. LIU Hang-so

Ms. LIU, aged 56, has been appointed as an Independent Non-executive Director of the Company since January 2021. She is a member of the Nomination Committee and the Remuneration Committee of the Board. Ms. LIU is a veteran in consumer goods with specialty lens in luxury retail sector covering watches and jewelry, leather goods, apparel, shoes, accessories and beauty. Ms. LIU has over 20 years of experience in the global retail industry, with exposure in major regional markets including Greater China, Asia Pacific, the US, Japan, Europe and India. Ms. LIU is currently the chief executive officer of DeBeers Forevermark, where she designs and executes the "value creation plan" process and roll-out of improvements with partner stakeholders. Prior to joining DeBeers Forevermark, Ms. LIU worked as a consultant for Boston Consulting Group where she specialized in luxury retail sector with a focus on China market entry, branding, business plan & commercial strategy and organizational restructuring. Prior to that, Ms. LIU held senior management positions in other global brands such as Louis Vuitton, Chaumet, Christian Dior, Ebel, Fendi, TAG Heuer, Zenith and L'Oreal.

Ms. LIU obtained a Bachelor of Arts Degree in Liberal Arts and Sciences from University of Illinois at Chicago in 1986.

Mr. LO Kin Ching Joseph

Mr. LO, aged 64, has been appointed as an Independent Non-executive Director of the Company since January 2020. He is chairman of the Audit Committee and a member of the Nomination Committee of the Board. Mr LO is a chartered certified accountant, fellow of the Association of Chartered Certified Accountants, United Kingdom, and a certified public accountant, fellow member of the Hong Kong Institute of Certified Public Accountants. He joined Deloitte Touche Tohmatsu ("Deloitte") in 1980 and was a partner since 1988 until his retirement in 2016. He was chairman of Deloitte Hong Kong from 2006 to 2014 and chairman of Deloitte China from 2008 to 2014. He has 40 years of professional experience in providing auditing, financial advisory, restructuring, insolvency, mergers and acquisitions and initial public offering services.

Mr. LO is a member of the Court of the Hong Kong Polytechnic University, a member of the Hospital Governing Committee of Queen Mary Hospital and Tsan Yuk Hospital, Hong Kong, a member of the College Council of Chu Hai College of Higher Education, Hong Kong, a committee member of the Hong Kong Arts Development Council Fund; a director of Hong Kong Design Centre Limited, and a member of the Finance Committee of M+ Museum. He is an independent non-executive director of ZA Bank Limited. He served as a member of the Standing Commission on Civil Service Salaries and Conditions of Service, Hong Kong from 2013 to 2019. He was a member of the Committee of Overseers of Wu Yee Sun College, the Chinese University of Hong Kong, a member of 10th and 11th of Hebei Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC) and an advisor to the China Accounting Standards Committee of the Ministry of Finance of China. Mr. Lo was the chairman and executive director of Bisu Technology Group International Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1372) from March 2017 to June 2018. He was also an independent non-executive director of Radisson Hospitality AB (a company formerly listed on the stock exchange of Stockholm, Sweden) from May 2017 to March 2019.

EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be not less than approximately HK$18 million (assuming that no new Shares have been allotted and issued on or before the Record Date) and not more than approximately HK$19 million (assuming 24,770,000 new Shares have been allotted and issued pursuant to the full exercise of the Share Options on or before the Record Date), and will be payable by the Company.

DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of the Prospectus Documents and the written consent referred to in the paragraph headed "Expert and Consent" in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies Ordinance.

LEGAL EFFECT

The Prospectus Documents and all acceptance 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 (WUMP) Ordinance, so far as applicable.

MISCELLANEOUS

(a) The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM 11, Bermuda.

(b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(c) The company secretary of the Company is Ms. LO Tik Man Ophelia. Ms. LO is an associate of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

(d) The English text of this prospectus shall prevail over the Chinese text in the case of inconsistency.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Dechert at 31st Floor, Jardine House, One Connaught Place, Central, Hong Kong during normal business hours (except Saturdays and public holidays) from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this prospectus:

(a) the Bye-laws of the Company;

(b) the annual reports of the Company for the financial years ended 30 June 2018, 2019, and 2020 respectively;

(c) the letter from PricewaterhouseCoopers in respect of the unaudited pro forma financial information on the Group, the text of which is set out in Appendix II to this prospectus;

(d) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix;

(e) the Underwriting Agreement;

(f) the other material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(g) the Prospectus Documents; and

(h) the service contract referred to in the paragraph headed "Service Contracts" in this appendix.