
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 licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

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

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Subject to the grant of the listing of, and permission to deal in the Rights Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares 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.

This Prospectus appears for information purposes only and does not constitute an invitation or offer to the Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States of America. This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The securities referred to herein have not been and will not be registered under the US Securities Act or the laws of any state or jurisdiction of the United States of America, and may not be offered or sold within the United States of America, 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 issue or any securities described herein in the United States or to conduct a public offering of securities in the United States of America. Any Qualifying Shareholder shall not be, and shall not be purchasing Shares for the account or benefit of, a person in the United States or a U.S. person (as such terms are defined in Regulation S under the U.S. Securities Act of 1933, as amended).



AFFLUENT PARTNERS HOLDINGS LIMITED

錢唐控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1466)

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

Underwriter to the Rights Issue



金利豐證券
KINGSTON SECURITIES

Financial adviser to the Company



金利豐財務顧問
KINGSTON CORPORATE FINANCE

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

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company served prior to 4:00 p.m. on Thursday, 5 May 2022 to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 21 April 2022 to Thursday, 28 April 2022 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers. The latest time for acceptance of and payment for the Rights Shares is at 4:00 p.m. on Wednesday, 4 May 2022. The procedures for application and payment for the Rights Shares are set out on pages 13 and 17 of this Prospectus.

* For identification purposes only

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EXPECTED TIMETABLE

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

Expected Timetable

2022

First day of dealing in nil-paid Rights Shares Thursday, 21 April

Latest time for splitting of the PAL 4:30 p.m. on
Monday, 25 April

Last day of dealing in nil-paid Rights Shares Thursday, 28 April

Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares

4:00 p.m. on
Wednesday, 4 May

Latest Time for Termination of the Underwriting
Agreement and for the Rights Issue to

become unconditional (if applicable) 4:00 p.m. on
Thursday, 5 May

Announcement of allotment results Thursday, 12 May

Despatch of certificates for fully-paid Rights Shares
and refund cheques, if any, in respect of wholly or
partially unsuccessful application for excess Rights Shares Friday, 13 May

Effective date of the new board lots size of 32,000 Shares Monday, 16 May

Expected first day of dealings in fully-paid Rights Shares Monday, 16 May

Designated broker starts to stand in the market
to provide matching services for odd lots of Shares 9:00 a.m. on
Monday, 16 May

Designated broker ceases to stand in the market
to provide matching services for odd lots of Shares 4:00 p.m. on
Wednesday, 8 June

Dates or deadlines specified in expected timetable above or in other parts of this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or “extreme conditions” caused by super typhoons:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 4 May 2022. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 4 May 2022. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Wednesday, 4 May 2022, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 28 January 2022 in relation to, among others, the Rights Issue and the Change in Board Lot Size
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and public holidays in Hong Kong and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon or on which a “black” rainstorm warning is issued 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Shares to 32,000 Shares
“Circular”	the circular of the Company dated 17 March 2022 in respect of, among others, increase in authorised share capital, the Rights Issue, the Change in Board Lot Size and re-election of Director
“Company”	Affluent Partners Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1466)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company held on 1 April 2022 at which the Rights Issue, the Underwriting Agreement and the transactions contemplated respectively thereunder were approved by the Independent Shareholders
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the controlling shareholders and their associates or, where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Last Trading Day”	28 January 2022, being the last trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Practicable Date”	11 April 2022, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 4 May 2022 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on the first Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Optionholder(s)”	the holders of the Share Options, who have provided the Optionholders Undertakings, namely, Mr. Leung Alex, Mr. Cheung Sze Ming and Ms. Siu Wing Shan
“Optionholders Undertaking(s)”	the irrevocable undertakings given by the Optionholders as mentioned in the paragraph headed “THE UNDERWRITING AGREEMENT — The Optionholders’ Undertakings” in this Prospectus
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
“Prospectus”	this prospectus dated 19 April 2022 and issued by the Company in relation to the Right Issue
“Prospectus Documents”	this Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Tuesday, 19 April 2022, or such other day as may be agreed between the Company and the Underwriter for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 14 April 2022 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

DEFINITIONS

“Rights Share(s)”	Shares to be allotted and issued under the proposed Rights Issue on the basis of one (1) Rights Share for every one (1) existing Share in issue on the Record Date, being 319,648,964 Rights Shares
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Option(s)”	the total of 2,096,800 outstanding share options to subscribe for 2,096,800 Shares granted under the share option scheme adopted by the Company on 17 October 2014 as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.11 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO whose ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 28 January 2022 (as supplemented by the supplemental underwriting agreement dated 14 March 2022) entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Share(s)”	all the Rights Shares which are fully underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement, being 319,648,964 Rights Shares
“United States”	the United States of America
“%”	percentage

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events.

If, prior to the Latest Time for Termination, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (3) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement;
- (5) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (6) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, in/on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (7) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company, which event or events is or are in the absolute opinion of the Underwriter:
- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
 - (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
 - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement in its sole and absolute discretion.

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease 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. If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed.



AFFLUENT PARTNERS HOLDINGS LIMITED

錢唐控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1466)

Executive Directors:

Mr. Cheng Chi Kin (*Chairman*)

Mr. Leung Alex

Mr. Cheung Sze Ming

Independent non-executive Directors:

Mr. Chiu Sin Nang, Kenny

Mr. Dong Bo, Frederic

Mr. Wong Siu Keung, Joe

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place of
Business:*

Room 906, 9/F

Wings Building

110–116 Queen's Road Central

Central, Hong Kong

19 April 2022

To the Qualifying Shareholders and, for information only, the Excluded Shareholders

Dear Sir or Madam,

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

INTRODUCTION

References are made to the Announcement and Circular in relation to, among other things, the Rights Issue and the Change in Board Lot Size. On 17 February 2022, the Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.11 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to any Excluded Shareholders.

* For identification purposes only

LETTER FROM THE BOARD

At the EGM held on Friday, 1 April 2022 at 11:00 a.m., the necessary resolutions for approving, among other things, the Rights Issue and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll.

The purpose of this Prospectus is to provide you with further details of the Rights Issue, financial information and other general information of the Group.

RIGHTS ISSUE

On 28 January 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue. On 14 March 2022, the Company and the Underwriter entered into the supplemental underwriting agreement and the parties thereto mutually agreed to revise the timetable of the proposed Rights Issue and except for the extension of the timetable, all other terms of the Underwriting Agreement remain the same. Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$0.11 per Rights Share
Number of Shares in issue at the Latest Practicable Date	:	319,648,964 Shares
Number of Rights Shares	:	319,648,964 Rights Shares (assuming no change in the share capital of the Company on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	HK\$6,392,979.28 (assuming no change in the share capital of the Company on or before the Record Date)
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	639,297,928 Shares (assuming no change in the issued share capital of the Company on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued)
Number of Rights Shares underwritten by the Underwriter	:	all the Rights Shares which are fully underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement, being 319,648,964 Rights Shares

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are (i) 1,996,800 outstanding Share Options, which are exercisable at the exercise price of HK\$13.40 each; and (ii) 100,000 outstanding Share Options, which are exercisable at the exercise price of HK\$12.00 each. Save for the aforesaid, as at the Latest Practicable Date, the Group had no other outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

On 28 January 2022, each of the Optionholders has given his/her Optionholders Undertaking to the Company to the effect that he/she will not exercise any of his/her Share Options on or before the Record Date (see the paragraph headed “THE UNDERWRITING AGREEMENT — The Optionholders’ Undertakings” below for further details of the Optionholders Undertakings).

Assuming no Shares are issued or repurchased on or before the Record Date, 319,648,964 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 100% of the total number of issued Shares as at the Latest Practicable Date; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.11 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 5.98% to the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 4.35% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of 6.30% to the average of the closing prices of approximately HK\$0.1174 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 2.22% to the theoretical ex-rights price of HK\$0.1125 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 3.15%, represented by the theoretical diluted price of approximately HK\$0.1137 per Share to the benchmarked price of HK\$0.1174 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of the Announcement); and

LETTER FROM THE BOARD

- (vi) a discount of approximately 4.35% to the net asset value per Share attributable to the Shareholders of approximately HK\$0.115 per Share calculated based on the audited consolidated net assets of the Group of approximately HK\$36.8 million as at 30 September 2021 and 319,648,964 Shares in issue as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market prices of the Shares under the prevailing market conditions and the relevant discount to the closing prices; (ii) the latest financial position of the Group; and (iii) the reasons for and benefits of Rights Issue as discussed in the section headed "REASONS FOR AND BENEFITS OF THE PROPOSED RIGHTS ISSUE AND INTENDED USE OF PROCEEDS" in this Prospectus.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market; and (ii) the 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 and an opportunity to subscribe for excess Rights Shares subject to the level of acceptance.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, (save for the Overseas Shareholders located in the United States and Canada) the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company on the Record Date, a Shareholder must have lodged the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Thursday, 7 April 2022.

The last day of dealing in the Shares on cum-rights basis was Monday, 4 April 2022. The Shares have been dealt with on an ex-rights basis from Wednesday, 6 April 2022.

LETTER FROM THE BOARD

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

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Excluded Shareholders are those Overseas Shareholders whom the Directors, based on legal opinions provided by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place.

Based on the register of members of the Company as at the Latest Practicable Date, there were a total of 28 Overseas Shareholders located in Belgium, Canada, Macau and the United States with the following shareholding structure:

Jurisdiction	Number of Overseas Shareholder(s)	Aggregate number of Shares held by Overseas Shareholder(s) in the jurisdiction	Approximate percentage of shareholdings
Belgium	1	722	0.0002%
Canada	2	5,664	0.0018%
Macao Special Administrative Region of the PRC ("Macau")	1	484	0.0002%
The United States	24	66,088	0.0207%

In compliance with the necessary requirements under Rule 13.36(2) of the Listing Rules, the Company has made enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders whose registered address is in the United States, Canada, Belgium and Macau.

United States

Based on the advice of the relevant legal advisers as to the laws of the United States, the Directors are of the view that it is necessary or expedient not to extend the Rights Issue to the Overseas Shareholders with registered address in the United States and such Overseas Shareholders shall be regarded as Excluded Shareholders as extension of the Rights Issue to such Overseas Shareholders would, or might, in the absence of compliance with the registration, exemption requirements or other formalities, be unlawful or impracticable and the cost to be incurred and time required for complying with the registration and/or other relevant requirements may outweigh the possible benefits to the Company and the Excluded Shareholders. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States.

LETTER FROM THE BOARD

Canada

Based on the advice of the relevant legal advisers as to the laws of Canada, the Directors are of the view that it is necessary or expedient not to extend the Rights Issue to the Overseas Shareholders with registered address in Canada and such Overseas Shareholders shall be regarded as Excluded Shareholders as extension of the Rights Issue to such Overseas Shareholders would, or might, in the absence of compliance with the registration, exemption requirements or other formalities, be unlawful or impracticable and the cost to be incurred and time required for complying with the registration and/or other relevant requirements may outweigh the possible benefits to the Company and the Excluded Shareholders. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into Canada.

Belgium

Based on the advice of the relevant legal advisers as to the laws of Belgium, the Directors are of the view that it is necessary or expedient not to extend the Rights Issue to the Overseas Shareholder with registered address in Belgium and such Overseas Shareholder shall be regarded as an Excluded Shareholder as extension of the Rights Issue to such Overseas Shareholder would, or might, in the absence of compliance with the registration, exemption requirements or other formalities, be unlawful or impracticable and the cost to be incurred and time required for complying with the registration and/or other relevant requirements may outweigh the possible benefits to the Company and the Excluded Shareholder. The Company will send a copy of this Prospectus (without the PAL and the EAF) to such Excluded Shareholder for information only.

Macau

Both the nil-paid and fully-paid forms of the Rights Shares are not required to be registered with the Macau Monetary Authority or with any other authority under the laws and regulations of Macau and this Prospectus may be despatched to Overseas Shareholders with registered addresses in Macau without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to Overseas Shareholder(s) with registered addresses in Macau, and such Overseas Shareholder(s) is/are Qualifying Shareholders.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Shares 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. Accordingly, no person receiving a copy of any of the Prospectus Documents in any territory outside Hong Kong and Macau may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and

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stamp duty, of more than HK\$100 will be paid pro rata to the Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Excluded Shareholder(s) to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Application for the Rights Shares

The PALs relating to the Rights Shares will be enclosed with this Prospectus (for Qualifying Shareholders only) entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

A PAL is enclosed with this Prospectus (for Qualifying Shareholders only) which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept 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 at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Wednesday, 4 May 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR TRUST (HONG KONG) LIMITED — A/C NO. 030" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 4 May 2022, whether by the original allottee or any person in whose favour the provisional allotment have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled, and the related Rights Shares will be available for excess application by other Qualifying Shareholders under the EAF. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

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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 part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 25 April 2022 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

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

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination and/or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Friday, 13 May 2022.

No receipt will be issued in respect of any application monies received.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) existing Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

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Application for all or any part of a Qualifying Shareholder's provisional allotment should be made 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.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 13 May 2022. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 13 May 2022 by ordinary post to the applicants at their own risk, to their respective registered addresses.

Application for excess Rights Shares

Under the Rights Issue, Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholder; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Wednesday, 4 May 2022.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application; and
- (ii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings.

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Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must have lodged all necessary documents with the Registrar for registration by no later than 4:30 p.m. on Thursday, 7 April 2022. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Wednesday, 4 May 2022. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and 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. 033"** and crossed **"Account Payee only"**.

The allocation of excess Rights Shares (if any) made to the Qualifying Shareholders will be announced on or about Thursday, 12 May 2022. If no excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be returned by refund cheque in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Friday, 13 May 2022. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his own risk by the Registrar on or before Friday, 13 May 2022.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF with a cheque or a cashier's order will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection of the EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. Completion and return of the EAF with a cheque or a cashier's order will constitute a warranty by the applicant that the cheque or the cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

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If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Underwriting Agreement are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered address at their own risk on or before Friday, 13 May 2022.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses as at the Record Date by the Registrar on the respective despatch dates. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

No receipt will be issued in respect of any application monies received.

Application for listing of the Rights Shares

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

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be 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.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 32,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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

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Odd lots matching services

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, a designated broker, Kingston Securities Limited, has been appointed by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share from 9:00 a.m. Monday, 16 May 2022 to 4:00 p.m. on Wednesday, 8 June 2022 (both dates inclusive). Kingston Securities Limited confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) they are Independent Third Parties.

Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Mr. James Lee of Kingston Securities Limited at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong (telephone number: (852) 2298 6228) during office hours (i.e. 9:30 a.m. to 4:00 p.m.) of such period. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

THE UNDERWRITING AGREEMENT

The Underwriting Agreement

On 28 January 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to fully underwrite all Underwritten Shares, subject to the terms and conditions of the Underwriting Agreement.

Date	:	28 January 2022 (after trading hours)
Underwriter	:	Kingston Securities Limited
Number of Rights Shares	:	319,648,964 Rights Shares
Underwriting commitment of the Underwriter	:	All the Rights Shares which are fully underwritten by the Underwriter pursuant to the terms and conditions set out in the Underwriting Agreement, being 319,648,964 Rights Shares
Underwriting Commission	:	2.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

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The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, the existing financial position of the Group, the size of the Rights Issues, and the market condition. The Company has approached various financial institutions to explore interest in underwriting the Rights Issue on a fully underwritten basis. Save and except for the Underwriter which agreed to fully underwrite the Rights Shares at the Subscription Price at a commission of 2.5%, other licensed corporations did not show interests to underwrite the Rights Shares on a fully underwritten basis. Having considered (i) other licensed corporations did not show interests to underwrite the Rights Shares on a fully underwritten basis; and (ii) the experience and financial resources of the Underwriter for underwriting such securities, the Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole. In particular, the Company, based on the information available on the website of the Stock Exchange, noticed that a total of 63 listed companies announced their proposed rights issues from 27 January 2021 to 28 January 2022, being on one-year period before entering into of the Underwriting Agreement with the Underwriter, (which, to the best knowledge of the Directors, were not subsequently terminated), among which 16 rights issues were fully underwritten by independent underwriters charged a underwriting commission in the range of 1% and 7.07% while the mean and median of the rate are 2.54% and 2.5% respectively, the rate of which was calculated on the basis of the total subscription price of the rights shares and the underwriting commission of 2.5% payable by the Company is considered to be consistent with the rate charged in the market.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (b) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus for information only to the Excluded Shareholders, if any, by no later than the Prospectus Posting Date;

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- (d) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (e) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time for Termination;
- (f) there being no specified event (as defined in the Underwriting Agreement) occurring on or before the Latest Time for Termination;
- (g) the passing of the necessary resolutions at the EGM to approve the Underwriting Agreement, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Independent Shareholders; and
- (h) each of the Optionholders having given his/her undertaking to the Company to the effect that he/she will not exercise any of his/her Share Options on or before the Record Date.

Save for the conditions (e) and (f) which can be waived by the Underwriter, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, or waived (where applicable) by the Latest Time for Termination, the Rights Issue will not proceed.

As at the Latest Practicable Date, the conditions set in paragraph (g) and (h) above have been fulfilled, and the parties to the Underwriting Agreement (as supplemental by the Supplemental Underwriting Agreement) are not aware of any facts or circumstances that will render the conditions set out in paragraphs (e) and (f) above not to be fulfilled upon completion of the Underwriting Agreement.

Termination of the Underwriting Agreement

Terms in relation to the termination of the Underwriting Agreement are summarized in the section headed “TERMINATION OF THE UNDERWRITING AGREEMENT” in this Prospectus.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease 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. If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

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The Optionholders' Undertakings

As at the Latest Practicable Date, the Company has 2,096,800 outstanding Share Options granted under the Share Option Scheme carrying rights for the holders thereof to subscribe for an aggregate of 2,096,800 new Shares. On 28 January 2022, each of the Optionholders has given his/her Optionholders Undertaking to the Company to the effect that he/she will not exercise any of his/her Share Options on or before the Record Date.

REASONS FOR AND BENEFITS OF THE PROPOSED RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The Group is principally engaged in (i) the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and (ii) the operation of strategic investment and financial services segment, with the objective to include investments in real estate agency business and real estate investment funds and other potential investment opportunities.

The financial performance of the Group for the year ended 31 March 2021 and the six months ended 30 September 2021 has been adversely affected by the prolonged COVID-19 pandemic and overall global economy uncertainty. As disclosed in the interim report of the Group for six months ended 30 September 2021 (“**Interim Report 2021**”), since January 2020, many countries have imposed travel restrictions, public health measures and quarantine requirement of travellers in order to contain the outbreak of COVID-19, which resulted in the weakened consumer sentiment all over the world and reduced the total Group’s sales contribution in pearl and jewellery products. As a result, the Group recorded a net loss of approximately HK\$281.8 million and HK\$51.8 million, respectively for the years ended 31 March 2020 and 2021. As at 30 September 2021, the other borrowings of the Group amounted to HK\$30 million, with repayable demand clause. Although the cash and cash equivalents of the Group amounted to approximately HK\$25.5 million as at 30 September 2021, approximately HK\$2.2 million are denominated in RMB and the conversion of RMB-denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government. The Group had been implementing strict control costs and improve operation efficiency and productivity in a bid to stay competitive. However, as at the Latest Practicable Date, Omicron, a new COVID-19 variant, has been found in many countries including the United States and Hong Kong, where most of the Group’s revenue were derived from. As a result, the performance of the Group in these markets may be adversely affected. All these indicate that the Group is currently under liquidity pressure.

Taking into account (i) the Group’s loss-making position and current financial position; (ii) the worsening financial performance of the Group since the outbreak of COVID-19; and (iii) the risks and uncertainties associated with emerging COVID-19 variants in the Group’s overseas markets, the Directors consider that there is an imminent need for the Company to conduct the Rights Issue to ease the liquidity pressure and improve the financial position of the Group.

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The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$32.9 million. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.103. The Company intends to apply the net proceeds from the Rights Issue towards the repayment of the Group's loan and accrued interests and for general working capital.

The expected timeline of the use of proceeds from the Rights Issue is set out in the table below:

Intended usage	Amount of proceeds (approximate)	Expected timeline
Repayment of the Group's loan (<i>Note</i>)	HK\$27.2 million	Upon completion of the Rights Issue
General working capital of the Group	HK\$5.7 million	Within 18 months upon completion of the Rights Issue

Note: The loan consist (i) a loan from Kingston Finance Limited (“KFL”) with outstanding principal of HK\$25 million and accruals of interest of approximately HK\$1.0 million due in July 2022 (“**Loan A**”); (ii) a loan from KFL with outstanding principal of HK\$3.8 million and accruals of interest of approximately HK\$0.1 million due in January 2023 (“**Loan B**”) and (iii) a loan from KFL with outstanding principal of HK\$1.0 million and accruals of interest of approximately HK\$0.04 million due in May 2022 (“**Loan C**”). As disclosed in the interim report of the Company for the six months ended 30 September 2021, the respective balances of Loan A, Loan B and Loan C were approximately HK\$28 million, nil balances and nil balances, respectively. Loan A, Loan B and Loan C were originated on 22 January 2021, 26 January 2022 and 8 February 2022 and the loan size are HK\$28 million, HK\$3.8 million and HK\$1 million respectively. The purposes of Loan A, Loan B and Loan C were used as replacing for previous loans, general working capital and repayment of interest of Loan A, respectively.

Alternative means of fund raising

The Company have considered other alternative means of fund raising, such as debt financing and/or bank borrowings and placing of new Shares, before resolving to the Rights Issue. The Company has considered the pros and cons of different fund-raising options.

Given the latest financial performance of the Group, the lack of traditional assets to pledge to the banks, such as land and buildings, are obstacles for the Company to negotiate with banks for meaningful financing. The Board is of the view that, even if any of the commercial institutions willing to grant loans to the Company, the underlying interest could be unfavorable which would increase the finance costs to the Company and exert additional pressure to the operations of the Group.

Placing of new Shares is not adopted as it does not allow the Qualifying Shareholders the rights to participate in the fund-raising exercise and their shareholdings in the Company would be diluted without being offered an opportunity to maintain their proportionate interests in the Company.

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In comparison, the Rights Issue is pre-emptive in nature, allowing the Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to (i) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (ii) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, rights issue is preferred. Accordingly, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Board considers that the Rights Issue will increase the capital base of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings will be diluted.**

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date, and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement, is as follow:

Shareholders	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue		(ii) Immediately upon completion of the Rights Issue assuming no acceptance by all Qualifying Shareholders under the Rights Issue	
	No. of Shares	Approximate % of total no. of Shares in issue	No. of Shares	Approximate % of total no. of Shares in issue	No. of Shares	Approximate % of total no. of Shares in issue
Pacific Wish Limited (Note 1)	84,088,691	26.31	168,177,382	26.31	84,088,691	13.15
Underwriter (Note 3)	—	—	—	—	191,648,964	29.98
VMS Securities Limited (Note 3)	—	—	—	—	68,000,000	10.64
Get Nice Securities Limited (Note 3)	—	—	—	—	60,000,000	9.38
Other Shareholders	235,560,273	73.69	471,120,546	73.69	235,560,273	36.85
Total	319,648,964	100.00	639,297,928	100.00	639,297,928	100.00

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Notes:

1. The Shares were beneficially owned by Pacific Wish Limited, which was in turned beneficially owned by Mr. Chan Vincent Wing Sing as to 50% and Ms. Hui Ka Man Emily as to 50%.
2. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
3. These scenarios are for illustrative purpose only. Under the Underwriting Agreement, the Underwriter has undertaken that it shall use its reasonable endeavours to ensure that (i) sub-underwriter(s), if any, are Independent Third Party(ies); and (ii) the public float requirements under the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

As at the Latest Practicable Date, the Underwriter has entered into sub-underwriting agreements (the “**Sub-underwriting Agreements**”) with VMS Securities Limited and Get Nice Securities Limited (the “**Sub-underwriter(s)**”), for sub-underwriting 68,000,000 Rights Shares and 60,000,000 Rights Shares at the Subscription Price, respectively. Pursuant to the terms and conditions of the Sub-underwriting Agreements and the written confirmation from each of the Sub-underwriters, each of the Sub-underwriters has confirmed that (i) it is third party independent of the Company and the Underwriter and their respective connected persons/associates; and (ii) it will ensure that in the ultimate subscribers/purchasers (if any) of the untaken Rights Shares to be procured by them (a) shall be third parties independent of the Company and the Underwriter and their respective connected persons/associates; and (b) shall not, together with any party acting in concert with it, hold 10% or more voting rights of the Company upon completion of the Rights Issue. For illustrative purpose only, in the event that no acceptance by all Qualifying Shareholders under the Rights Issue, where the Sub-underwriters are called upon to take up all the Sub-underwritten Shares immediately upon completion of the Rights Issue, the Rights Shares to be taken up by VMS Securities Limited and Get Nice Securities Limited represent approximately 10.64% and 9.38% of the issued share capital of the Company immediately upon completion of the Rights Issue, respectively (i.e. would account for less than 30% of the issued share capital of the Company immediately upon completion of the Rights Issue).

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the fund raising activity set out below, the Company has not conducted any other equity fund raising activities in the twelve (12) months immediately preceding from the date of the Announcement.

Date of initial announcement	Event	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
1 September 2021	placing of new Shares under general mandate	approximately HK\$5.2 million	the partial repayment of the Group’s loan and accrued interests; and the general working capital of the Group	the proceeds were fully utilised as intended.

LETTER FROM THE BOARD

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

As at the Latest Practicable Date, there are (i) 1,996,800 outstanding Share Options, which are exercisable at the exercise price of HK\$13.40 each; and (ii) 100,000 outstanding Share Options, which are exercisable at the exercise price of HK\$12.00 each. The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the share option scheme adopted by the Company on 17 October 2014. The Company will notify the holders of those Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the share option scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” above). Accordingly, the proposed Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Wednesday, 6 April 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 21 April 2022 to Thursday, 28 April 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party 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 Shares up to the date on which all the conditions to which the proposed Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the proposed Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus. In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

Yours faithfully
For and on behalf of the Board
Affluent Partners Holdings Limited
Cheng Chi Kin
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.affluent-partners.com/>):

- Annual report for the year ended 31 March 2019 (pages 72 to 227):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0729/ltm20190729355.pdf>
- Annual report for the year ended 31 March 2020 (pages 72 to 219):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0729/2020072900936.pdf>
- Annual report for the year ended 31 March 2021 (pages 66 to 199):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0722/2021072200885.pdf>
- Interim report for the six months ended 30 September 2021 (pages 4 to 49):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1216/2021121600179.pdf>

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products (“**Pearls and Jewellery Business Segment**”) and (ii) the operation of strategic investment and financial services segment (“**Strategic Investment and Financial Services Segment**”), with the objective to include investments in real estate agency business and real estate investment funds and other potential investment opportunities.

Pearls and Jewellery Business Segment

The Pearls and Jewellery Business Segment principally engaged in the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products (with and without pearls). Apart from selling jewellery products designed by the Group, the Group also sells jewellery products on an original equipment manufacturer basis, whereby the customers provide the product designs). As at the Latest Practicable Date, the Group did not market its jewellery products under its own brand. Whilst designs of the Pearls and Jewellery Business Segment are principally focused on using pearls as its main theme, the Group also designs and produces jewellery products without pearls to provide its customers a wider selection of products. Pearls that the Group sells are typically sold in loose form or in strands. The Group also uses its processed pearls in making jewellery products. The Group’s customers are mainly retailers and other jewellery merchandisers and distributors in the United States, Europe and other parts of the world.

The Group owns its own production facilities in Shenzhen, the PRC. While the Group carries out most of the pearl processing and jewellery product design and production process, some of the Group's jewellery products require certain parts e.g. rings, earring pins to be further coated with a protective coating to reduce potential oxidation. The Group does not have this production process and as such sub-contracts this intermediary production step to Independent Third Parties. The Group has, from time to time, engaged various subcontractors for such processes as these subcontractors are flexible with the number of products are that required to be processed.

The revenue in Pearls and Jewellery Business Segment had been decreasing sharply since the outbreak of COVID-19. To combat the spread of COVID-19 and its variants, the United States, Europe and other countries that the Group sells to had to implement tough measures, for instance, putting their countries or cities under lockdown, restricting movement of people by pronouncing “stay-home” orders, suspending or limiting business operations in the countries or cities and restricting freight transportation, etc. from time to time.

The Company considers that the global outbreak of COVID-19 has had a significant impact on the Group's sales in Pearls and Jewellery Business Segment to in the United States, Europe and other markets, whereby affecting the financial performance of the Group in the past few years. Although the Group does not operate any retail stores, the customers of the Pearls and Jewellery Business Segment are mainly retailers and other jewellery merchandisers and distributors, different measures to contain COVID-19, together with the aftermath, the discretionary spending of retail customers, and actual and perceived unfavourable economic conditions had materially affected the Group's business performance since the beginning of 2020.

Further, owing to the travel restrictions and/or lockdown measures imposed by the governments of various countries and cities as well as the governments' recommendation to maintain social distancing to reduce the chance of transmission of COVID-19, the Group's sales and marketing team has not been able to conduct certain sales and marketing activities such as face-to-face meetings with the potential a customers or attending trade fairs or exhibitions to explore potential and new business opportunities as before, and instead to conduct marketing activities through alternative means such as phone calls and emails, which the Company believes, are relatively less effective than conducting visits or meetings directly with the potential customers.

To ensure the Group's business continuity, the Group (i) would continue to maintain close business relationship with its customers; and (ii) would continue to strictly control costs and improve operation efficiency and productivity to stay competitive.

The Group has close direct working relationships with its existing customers as it believes this strong client base will continue to give the Group a solid income source. Good relationships with the customers also enable the Group to keep abreast of the latest product developments and consumers' preferences. The Group also plans to generate more business by word of mouth as participating in exhibition as before is unlikely to be practical in near future.

Looking ahead, the Group understands the tremendous challenges that have occurred previously and will continue to anticipate new factors that might emerge in 2022. Since mid-2020, the Group has carried out the rightsizing and restructuring to eliminate redundant assets and become leaner to achieve cost reduction initiatives. The Group has outsourced the manufacturing team and downsized the factory so to reduce its fixed cost. As a result of such moves, 185 positions had been eliminated since 2020, which includes staff for operating the factory and designers.

While the Company expect the impact of COVID-19 outbreak on the Pearls and Jewellery Business Segment in these countries is not long-term on the basis that (i) the increased popularity of online shopping by consumers which allows consumers to buy online in the event of closure of physical stores following the lockdown measures; (ii) recent breakthrough in the development and use of vaccines for preventing COVID-19 infections by well-established international pharmaceutical companies; and (iii) the easing of national partial lockdown measures in the United States and Europe recently. This is supported by the fact that segmental revenue generated from the Pearls and Jewellery Business Segment increased from approximately HK\$15.5 million for the six months ended 30 September 2020 to approximately HK\$30.2 million for the six months ended 30 September 2021, representing a year-on-year increase of approximately 94.8%.

Despite of the uncertainties of the global economic conditions and the challenging business environment, the management of the Group will use its best efforts to continue to enhance and create value to the Shareholders.

While the Board considers the market sentiment is continuously improving, nevertheless, the unprecedented circumstances brought about by the COVID-19 pandemic continue to pose challenges to the business of the Group, the Group will continue to strictly control costs and improve operation efficiency and productivity in a bid to stay competitive. The Group will continue to actively participate in various important jewellery and gem fairs around the world when the Outbreak is stable in order to maintain its diversified customer base.

Strategic Investment and Financial Services Segment

The Strategic Investment and Financial Services Segment included investments in real estate agency business, real estate investment funds and co-working space industry as well as other potential investment opportunities. As at the Latest Practicable Date, the Group principally focus on real estate agency business located in the United Kingdom and the co-working spaces business located in Hong Kong.

The revenue in the Strategic Investment and Financial Services Segment had decreased sharply after Brexit and the continuing impact of COVID-19 pandemic. Due to the spread of COVID-19, the number of visitor arrival from mainland declined significantly and the business operating environment in Hong Kong become more uncertain. Besides, the travel restrictions, public health measures and quarantine requirement of travelers which were imposed by Hong Kong government and other countries have adversely affected the operation of our co-working space business. Meanwhile, the property market of United Kingdom faced major risks and uncertainties associated with Brexit. This is supported by the fact that segmental financial performance generated from the Strategic Investment and Financial Services Segment decreased from approximately HK\$1.98 million profit for the six months ended 30 September 2020 to approximately HK\$4.74 million loss for the six months ended 30 September 2021, representing a year-on-year decrease of approximately 339.4%.

The Company considers that social movement and the outbreak of COVID-19 has had a significant impact on the Group's business in the Strategic Investment and Financial Services Segment, whereby affecting the financial performance of the Group in the past few years. The clients of co-working business have been affected significantly and it attributed to the decline of the demand of co-working space due to the strict travel restriction and/or social distance restriction measures imposed by the government which weaken the consumer sentiment and reduced number of visitors entering Hong Kong.

With the development of the existing Strategic Investment and Financial Services Segment, the Group will focus its investments and operations more in the real estate, co-working spaces and investment and asset management sectors especially in Europe and Asia.

As at the Latest Practicable Date, the Group has no plan to increase its investment in the Strategic Investment and Financial Services Segment, due to the uncertainty of the time for the society to be recovered from the pandemic. However, the Group is optimistic regarding the demand of co-working space after the pandemic, due to the change in the working hours and location. The Company anticipate that the Strategic Investment and Financial Services Segment will diversify the income streams of the Group, and generate additional investment returns on the available funds of the Company from time to time. The Company expect that the segment will be the growth driver and will actively make continuous efforts to find appropriate investment projects in the future.

In spite of uncertainty in the global economy and the challenging business environment, the management of the Group will continue to create value for shareholders through the enhancement of the operating performance.

3. INDEBTEDNESS

The following table set forth a breakdown of our indebtedness as at 28 February 2022, being the latest practicable date for the purpose of this indebtedness in this Prospectus.

	As at 28 February 2022 HK\$'000
Other borrowings (<i>Note a</i>)	29,776
Lease liabilities (<i>Note b</i>)	<u>2,157</u>
	<u>31,933</u>

Notes:

- (a) As at 28 February 2022, the other borrowings consisted of three borrowings:

One of the loans was a secured loan with principal amount of HK\$28,000,000 bear fixed interest rate at 15.0% per annum which is repayable on 25 July 2022 with a repayable on demand clause. It is secured by other receivables with an aggregate borrowing amount of HK\$28,000,000 and accrued interests, if any. The Group has partially repaid HK\$3,000,000 as at 28 February 2022.

Another loan was an unsecured loan with principal amount of HK\$3,800,000 bear fixed interest rate at 15% per annum which is repayable on 26 January 2023 with a repayable on demand clause.

Another loan was an unsecured loan with principal amount of approximately HK\$976,000 bear fixed interest rate at 15% per annum which is repayable on 6 May 2022 with a repayable on demand clause.

- (b) The Group entered into several lease agreements for leasing of office premises located in Hong Kong and the People's Republic of China and recognised as right-of-use assets and lease liabilities for these leases. Such lease liabilities amounted to approximately HK\$2,157,000 as at 28 February 2022, which were classified as to HK\$1,272,000 as current liabilities and HK\$885,000 as non-current liabilities. The interest rates of the lease liabilities are 5.1% per annum.

Contingent liabilities

At the close of business on 28 February 2022, the Group had neither any guarantee nor any other contingent liabilities in existence.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, at the close of business on 28 February 2022, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that taking into account (i) the internal resources of the Group; (ii) estimated proceeds from the Rights Issue, and (iii) the existing cash and bank balances, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, so far as was known to the Directors, there are no material adverse change in the financial or trading position of the Group since 31 March 2021, the date to which the latest published audited financial statements of the Group were made up.

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 September 2021. 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 unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules is set out to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 September 2021.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2021, as extracted from the published interim report of the Company for the six months ended 30 September 2021, with adjustments described below.

				Unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company per Share immediately after the completion of the Rights Issue
Unaudited consolidated net tangible assets attributable to equity holders of the Company as at 30 September 2021 HK\$'000 (Note 1)	Unaudited estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company as at 30 September 2021 HK\$'000	Unaudited consolidated net tangible assets attributable to equity holders of the Company per Share before the completion of the Rights Issue HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company per Share immediately after the completion of the Rights Issue HK\$ (Note 4)
Based on number of 319,648,964 Rights Shares to be issued				
36,777	32,862	69,639	0.1151	0.1089

Notes:

- (1) The unaudited consolidated net tangible assets attributable to equity holders of the Company as at 30 September 2021 were extracted and derived from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2021 (being the reporting line item “Equity attributable to equity holders of the Company” in the condensed consolidated statement of financial position as at 30 September 2021) on which no audit nor review report has been issued for the interim report of the Company published on 24 November 2021.
- (2) The estimated net proceeds from the Rights Issue is approximately HK\$32,862,000 which is based on 319,648,964 Rights Shares to be issued at the Subscription Price of HK\$0.11 per Rights Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$2,299,000.
- (3) The unaudited consolidated net tangible assets of the Group per share attributable to equity holders of the Company before the completion of the Rights Issue is determined based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 September 2021 of approximately HK\$36,777,000 as disclosed in note 1 above, divided by 319,648,964 Shares in issue as at 30 September 2021.
- (4) Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2021 per Share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue of approximately HK\$69,639,000 as set out in Note 2 above divided by 639,297,928 Shares which represents the sum of 319,648,964 Shares in issue and 319,648,964 Rights Shares to be issued, assuming that no outstanding share options of the Company will be exercised.
- (5) Save as disclosed above, no other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2021.

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

The following is the text of a report received from the reporting accountant, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information for the purpose in this Prospectus.

**Moore Stephens CPA Limited**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF AFFLUENT PARTNERS HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Affluent Partners 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 (the "Unaudited Pro Forma Financial Information") consists of the unaudited pro forma statement of consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2021 and related notes as set out in Part A of Appendix II to the prospectus dated 19 April 2022 (the "Prospectus") issued by the Company in connection with the proposed rights issue on the basis of one rights share for every one existing share of the Company (the "Rights Issue"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible assets attributable to equity holders of the Company as at 30 September 2021 as if the Rights Issue had taken place on 30 September 2021. As part of this process, information about the Group's condensed consolidated financial position as at 30 September 2021 has been extracted by the Directors from interim report of the Company for the six months ended 30 September 2021, dated 24 November 2021, on which no audit nor review report has been issued.

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 behavior.

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

Reporting 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 an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 September 2021 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

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

Moore Stephens CPA Limited

Certified Public Accountants

Leung Yu Ngong

Practising Certificate Number: P06734

Hong Kong, 19 April 2022

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL AND OPTIONS

(a) Share Capital

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>		HK\$
<u>10,000,000,000</u>	Shares of HK\$0.02 each	<u>200,000,000.00</u>

<i>Issued and fully paid:</i>		HK\$
<u>319,648,964</u>	Shares of HK\$0.02 each	<u>6,392,979.28</u>

(ii) Immediately after completion of the Rights Issue (assuming no change in the number of issue Shares and full acceptance of Rights Shares by all Qualifying Shareholders or through the Underwriter)

<i>Authorised:</i>		HK\$
<u>10,000,000,000</u>	Shares of HK\$0.02 each	<u>200,000,000.00</u>

<i>Issued and fully paid:</i>		HK\$
319,648,964	Shares of HK\$0.02 each as at the Latest Practicable Date	6,392,979.28
<u>319,648,964</u>	<u>Rights Shares to be allotted and issued under the Rights Issue</u>	<u>6,392,979.28</u>
<u>639,297,928</u>	<u>Shares of HK\$0.02 each in issue immediately upon completion of the Rights Issue</u>	<u>12,785,958.56</u>

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

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

(b) Share Options

As at the Latest Practicable Date, details of the outstanding Share Options were as follows:

Name of grantee	Number of underlying Shares subject to outstanding Share Options	Date of grant	Exercise price (HK\$ per Share)	Exercise Period
Director				
Leung Alex	100,000	29 October 2018	13.40	29 October 2019 to 28 October 2023
	100,000	29 October 2018	13.40	29 October 2020 to 28 October 2023
Cheung Sze Ming	848,400	29 October 2018	13.40	29 October 2019 to 28 October 2023
	848,400	29 October 2018	13.40	29 October 2020 to 28 October 2023
Others				
Employee	50,000	29 October 2018	13.40	29 October 2019 to 28 October 2023
Employee	50,000	29 October 2018	13.40	29 October 2020 to 28 October 2023
Employee	50,000	13 December 2018	12.00	13 December 2019 to 12 December 2023
Employee	50,000	13 December 2018	12.00	13 December 2020 to 12 December 2023
Total	<u>2,096,800</u>			

Save as disclosed above, as at the Latest Practicable Date, the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

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

3. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code.

Name of Director	Capacity and nature of interest	Number of shares held (long position) (Note 1)	Percentage of the Company's issued share capital (Note 2)
Mr. Leung Alex	Beneficial owner	200,000	0.06%
Mr. Cheung Sze Ming	Beneficial owner	1,696,800	0.53%

Notes:

1. All underlying Shares are share options granted by the Company under the share option scheme granted on 17 October 2014.
2. The approximate percentages were calculated based on 319,648,964 shares of the Company in issue as at the Latest Practicable Date.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity and nature of interest	Number of issued ordinary shares held (long position)	Percentage of the Company's issued share capital (Note)
Pacific Wish Limited (Note 1)	Beneficial owner	84,088,691	26.31%
Mr. Chan Vincent Wing Sing (Note 1)	Interest in controlled corporation	84,088,691	26.31%
Ms. Hui Ka Man Emily (Note 1)	Interest in controlled corporation	84,088,691	26.31%
Active Dynamic Limited (Note 2)	Interest in controlled corporation	319,648,964	100.00%
Kingston Finance Group Limited (Note 2)	Interest in controlled corporation	319,648,964	100.00%
Kingston Capital Asia Limited (Note 2)	Interest in controlled corporation	319,648,964	100.00%
Galaxy Sky Investments Limited (Note 2)	Interest in controlled corporation	319,648,964	100.00%
The Underwriter (Note 2)	Beneficial owner	319,648,964	100.00%
Mrs. Chu Yuet Wah ("Mrs. Chu") (Note 2)	Interest in controlled corporation	319,648,964	100.00%

Notes:

1. The Shares were beneficially owned by Pacific Wish Limited, which was in turned beneficially owned by Mr. Chan Vincent Wing Sing ("Mr. Chan") as to 50% and Ms. Hui Ka Man Emily ("Ms. Hui") as to 50%. Accordingly, Mr. Chan and Ms. Hui are deemed to be interested in all the Shares that Pacific Wish Limited is interested in under Part XV of the SFO.
2. The Shares represent the maximum number of Underwritten Shares agreed to be underwritten by the Underwriter pursuant to the Underwriting Agreement. The Underwriter is wholly-owned by Galaxy Sky Investments Limited ("GSIL") which in turn is owned by Kingston Capital Asia Limited ("KCAL"), a wholly-owned subsidiary of Kingston Finance Group Limited ("KFGL") which in turn is owned by Active Dynamic Limited ("ADL"). ADL is wholly-owned by Mrs. Chu. Accordingly, GSIL, KCAL, KFGL, ADL and Mrs. Chu are deemed to be interested in all the shares that the Underwriter is interested in under Part XV of the SFO.
3. The approximate percentages were calculated based on 319,648,964 shares of the Company in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there are no other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

None of the Director of the Company is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 March 2021, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

8. MATERIAL CONTRACTS

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

- (i) the placing agreement dated 14 May 2020 and entered into between the Company and Kingston Securities Limited as the placing agent in relation to the placing of up to 369,900,000 new Shares at the placing price of HK\$0.025 per placing Share;
- (ii) the placing agreement dated 7 January 2021 and entered into between the Company and Kingston Securities Limited as the placing agent in relation to the placing of up to 44,392,000 new Shares at the placing price of HK\$0.116 per placing Share;
- (iii) the letter agreement entered into by Orient Capital Opportunity Fund SPC (for the account and on behalf of Orient Capital Real Estate Fund SP), the Company as the guarantor and Full Wealth Investment Hong Kong Limited (a subsidiary of the Company) dated 23 March 2021 pursuant to which, among others, the Company agreed to be released from its obligations as a guarantor to one of the Company's subsidiary in a subscription of shares in an investment fund relating to a residential estate project in West London, United Kingdom;
- (iv) the placing agreement dated 1 September 2021 and entered into between the Company and Kingston Securities Limited as the placing agent in relation to the placing of up to 53,272,000 new Shares at the placing price of HK\$0.103 per placing Share; and
- (v) the Underwriting Agreement (as supplemented by the supplemental underwriting agreement dated 14 March 2022).

9. EXPERT AND CONSENT

The following is the qualification of the expert who have been named in this Prospectus or has given opinions, letter or advice contained in this Prospectus:

Name	Qualification
Moore Stephens CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert had no shareholding, directly or indirectly, in the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company.

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in the promotion of, or in any assets which since 31 March 2021, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus, with the inclusion of the references to its name and/or its opinion or report in the form and context in which they are included.

10. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

Board of Directors	Mr. Cheng Chi Kin (<i>Chairman</i>) Mr. Leung Alex Mr. Cheung Sze Ming Mr. Chiu Sin Nang, Kenny Mr. Dong Bo, Frederic Mr. Wong Siu Keung, Joe
Head office and principal place of business	Room 906, 9/F Wings Building 110–116 Queen's Road Central Central, Hong Kong
Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Legal advisers to the Company as to Hong Kong laws	Lo & Lawyers 21/F, Chu Kong Shipping Tower, 143 Connaught Road Central, Hong Kong
Auditors	Moore Stephens CPA Limited <i>Certified Public Accountants</i> 801–806 Silvercord, Tower 1 30 Canton Road, Tsimshatsui Kowloon, Hong Kong

Principal bankers**The Hongkong and Shanghai Banking Corporation Limited**

HSBC Main Building
1 Queen's Road Central
Hong Kong

Bank of China Limited

7/F., Bank of China Tower
1 Garden Road
Central, Hong Kong

Hong Kong branch share registrar and transfer office**Tricor Investor Services Limited**

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Authorised representatives**Mr. Cheng Chi Kin**

Room 906, 9/F
Wings Building
110–116 Queen's Road Central
Central, Hong Kong

Mr. Cheung Sze Ming

Room 906, 9/F
Wings Building
110–116 Queen's Road Central
Central, Hong Kong

Company secretary**Mr. Cheung Sze Ming**

Certified Public Accountants

Particulars of the Directors**(a) Name and address of the Directors***Executive Directors*

Mr. Cheng Chi Kin	Room 906, 9/F Wings Building 110–116 Queen’s Road Central Central, Hong Kong
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Mr. Leung Alex	Room 906, 9/F Wings Building 110–116 Queen’s Road Central Central, Hong Kong
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Mr. Cheung Sze Ming	Room 906, 9/F Wings Building 110–116 Queen’s Road Central Central, Hong Kong
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Independent non-executive Directors

Mr. Chiu Sin Nang, Kenny	Room 906, 9/F Wings Building 110–116 Queen’s Road Central Central, Hong Kong
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Mr. Dong Bo, Frederic	Room 906, 9/F Wings Building 110–116 Queen’s Road Central Central, Hong Kong
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Mr. Wong Siu Keung, Joe	Room 906, 9/F Wings Building 110–116 Queen’s Road Central Central, Hong Kong
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(b) Profiles of Directors*Executive Directors*

Mr. Cheng Chi Kin (“**Mr. Cheng**”), aged 53, was appointed as an executive Director and the Chairman of the Board on 27 September 2019 and 18 October 2019 respectively. He obtained a Degree in Business Studies from University of Glamorgan in 1992 and a Master Degree in Business Administration from College of Cardiff of the University of Wales in 1995. He is a fellow member of Hong Kong

Institute of Certified Public Accountants and a fellow member of the Association of International Accountants. He is also a Chartered Marketer of The Chartered Institute of Marketing and a member of Institute of Management Accountants. He has over 26 years of working experience in merger and acquisition, finance and accounting, banking, asset management and funds operations in various industries including real estate developments, infrastructure developments, real estate investment trusts (REITS), securities investments and natural resources industries. Mr. Cheng is currently an executive director of DeTai New Energy Group Limited (stock code: 559), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Cheng was an executive director of Ming Lam Holdings Limited (stock code: 1106), the shares of which are listed on the Main Board of the Stock Exchange, from February 2017 to August 2018. He was also a non-executive director of IRC Limited (stock code: 1029), the shares of which are listed on the Main Board of the Stock Exchange, from February 2017 to March 2020.

Mr. Leung Alex (“**Mr. Leung**”), aged 43, was appointed as an executive Director on 11 April 2016. Mr. Leung obtained his Bachelor of Commerce degree from the University of Auckland, New Zealand in May 2000. Mr. Leung had worked in two international accounting firms from December 2000 to February 2012. He is a fellow member of the Hong Kong Institute of Certified Public Accounting and the CPA Australia. He has more than 20 years of experience in auditing, accounting and corporate management. Mr. Leung is currently an executive director of China Healthwise Holdings Limited (stock code: 348), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Leung was an executive director and the group chief financial officer of Man Sang International Limited (stock code: 938), the shares of which are listed on the Main Board of the Stock Exchange, from October 2014 to November 2018.

Mr. Cheung Sze Ming (“**Mr. Cheung**”), aged 52, was appointed as an executive Director, company secretary and the chief financial officer of the Company on 1 April 2018. He is also an independent non-executive director of Ocean Line Port Development Limited, a company listed on the Growth Enterprise Market (GEM) Board of the Stock Exchange (stock code: 8502) since November 2020 and an independent non-executive director of Great Wall Terroir Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 524) since March 2021. Mr. Cheung holds a Bachelor Degree in Accountancy from the Hong Kong Polytechnic University. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has accumulated over 20 years’ working experience from an international audit firm and public listed companies. He had spent about 8 years in the international audit firm and was an audit manager before he left the firm. Thereafter, Mr. Cheung has held different senior positions in various public listed companies. He was an executive director and chief financial officer of Dingyi Group Investment Limited (stock code: 508), the shares of which are listed on the Main Board of the Stock Exchange, from October 2011 to March 2018.

Independent non-executive Directors

Mr. Chiu Sin Nang, Kenny (“**Mr. Chiu**”), aged 60, was appointed as an independent non-executive Director on 30 September 2020. Mr. Chiu has over 30 years of experience in accounting. Mr. Chiu has held various senior accounting and finance positions in sectors of property investment and development, and information technology development business. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the CPA Australia. Mr. Chiu received a Master of Accountancy Degree from The Chinese University of Hong Kong in December 2006, a Bachelor of Laws Degree from the Peking University, the People’s Republic of China in July 1998, a Degree of Master of Commerce in Accounting from The University of New South Wales, Australia in May 1989, a Bachelor of Administrative Studies Degree and a Bachelor of Arts (Economics) Degree from the York University, Canada in June 1986 and June 1985 respectively. Mr. Chiu is currently an executive director of Kin Shing Holdings Limited (stock code: 1630) and an independent non-executive director of Kingston Financial Group Limited (stock code: 1031), KEYNE LTD (formerly known as Nine Express Limited) (stock code: 0009), Sincere Watch (Hong Kong) Limited (stock code: 444) and Coolpad Group Limited (stock code: 2369), all companies are listed on the Main Board of the Stock Exchange.

Mr. Dong Bo, Frederic (“**Mr. Dong**”), aged 55, was appointed as an independent non-executive Director on 30 September 2020. Mr. Dong has extensive management experience in the People’s Republic of China. Mr. Dong was an executive director of Greater Bay Area Dynamic Growth Holding Limited (stock code: 1189) from August 2019 to August 2020 which is listed on the Main Board of the Stock Exchange and the chairman and an executive director of Tech Pro Technology Development Limited (stock code: 3823) from February 2019 to March 2020, the issued shares of which had been formerly listed on the Stock Exchange.

Mr. Wong Siu Keung, Joe (“**Mr. Wong**”), aged 57, was appointed as an independent non-executive Director on 14 January 2022. Mr. Wong holds a Degree of Master of Arts in International Accounting from City University of Hong Kong and a Master’s Degree of Corporate Governance from Hong Kong Polytechnic University. He is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Wong has extensive experience in taxation, accounting, financing, audit field and public listed companies for many years. Mr. Wong is currently an executive director of DeTai New Energy Group Limited (stock code: 559) and an independent non-executive director of China Water Industry Group Limited (stock code: 1129), both companies are listed on the Main Board of the Stock Exchange. Mr. Wong is also an independent non-executive director of Hang Tai Yue Group Holdings Limited (stock code: 8081) and Worldgate Global Logistics Ltd (stock code: 8292), both companies are listed on the GEM of the Stock Exchange.

11. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to lawyers, reporting accountants and financial printer, etc., are estimated to be approximately HK\$2.3 million and will be payable by the Company.

12. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “9. EXPERT AND CONSENT” in this Appendix, have been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.affluent-partners.com/>) for 14 days from the date of this Prospectus:

- (a) the material contracts referred to in the paragraph headed “8. MATERIAL CONTRACTS” in this appendix;
- (b) the letter issued by the reporting accountants regarding the unaudited pro forma financial information as set out in Appendix II to this Prospectus; and
- (c) the written consents referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix.

15. MISCELLANEOUS

- (i) as at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) this Prospectus and the accompanying PAL and EAF have been prepared in both English and Chinese. In the case of any discrepancies, the English version shall prevail over their respective Chinese version.