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HOPE LIFE INTERNATIONAL HOLDINGS LIMITED

曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND
(4) PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY ONE (1)
CONSOLIDATED SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation, pursuant to which every two (2) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.02 each. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 16,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Existing Shares to HK\$60,000,000 divided into 6,000,000,000 Existing Shares (or 3,000,000,000 Consolidated Shares after the Share Consolidation becoming effective). Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

PROPOSED RIGHTS ISSUE

Subject to the Share Consolidation and the Increase in Authorised Share Capital having become effective, the Board proposes to conduct the Rights Issue on the basis of two (2) Rights Shares for every one (1) Consolidated Share held as at the Record Date at the Subscription Price of HK\$0.140 per Rights Share, to raise up to approximately HK\$120.96 million before expenses by way of issuing up to 864,000,000 Rights Shares. Assuming that there is no change in the number of issued Shares on or before the Record Date, the estimated net proceeds of the Rights Issue will be approximately HK\$118.96 million.

The Company will provisionally allot to the Qualifying Shareholders two (2) Rights Shares in nil-paid form for every one (1) Consolidated Share in issue and held on the Record Date, which is currently expected to be on Tuesday, 7 February 2023. The Rights Issue will not be available to the Non-Qualifying Shareholders.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. The Cayman Islands legal adviser of the Company has confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue and/or the Placing will not proceed. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be 4:00 p.m. on the Rights Issue Settlement Date will accordingly bear the risk that the Rights Issue may not become unconditional and that the Rights Issue and/or Placing may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

LISTING RULES IMPLICATIONS

The Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within a 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Share Consolidation), the Rights Issue is conditional upon the minority Shareholders' approval at the EGM, and any Controlling Shareholders and their respective associates, or where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

GENERAL

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheung Ting Pong, Ms. Zhao Hongqin and Mr. Zhen Jian, to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor.

Sorrento Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue and the transactions contemplated thereunder and the voting recommendation on the relevant resolution.

The Circular containing, among other things, (i) details of the Share Consolidation; (ii) details of the Increase in Authorised Share Capital; (iii) further information regarding the Rights Issue and the transactions contemplated thereunder; (iv) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (vi) other information required under the Listing Rules; and (vii) the notice of the EGM will be despatched to the Shareholders in due course. As additional time is required to prepare the aforesaid information to be included in the Circular, the Circular is expected to be despatched to the Shareholders on or before Friday, 30 December 2022.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every two (2) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.02 each. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have material interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Share Consolidation at the EGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 864,000,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares will be allotted and issued or repurchased prior thereto, the authorised share capital of the Company shall become approximately HK\$10,000,000 divided into 500,000,000 Consolidated Shares of par value of HK\$0.02 each, of which 432,000,000 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses incurred and to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders by way of poll to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Friday, 27 January 2023, being the second Business Day after the fulfilment of the above conditions.

Application of listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated 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 Consolidated Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made by the Company for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the specified period, submit share certificates for Existing Shares to the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares.

Thereafter, share certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of share certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Thursday, 2 March 2023, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of two (2) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in yellow colour in order to distinguish them from the share certificates for the Existing Shares which are in green colour.

Other securities of the Company

As at the date of this announcement, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 16,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.084 per Existing Share (equivalent to the theoretical closing price of HK\$0.168 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$336; (ii) the value of each board lot of 4,000 Consolidated Shares would be HK\$672 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 16,000 Consolidated Shares would be HK\$2,688 assuming that the Share Consolidation and the Change in Board Lot Size becoming effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

For the avoidance of doubt, if the Share Consolidation is not approved at the EGM, the proposed Change in Board Lot Size will not become effective and the Shares will continue to be traded on the Stock Exchange in board lot of 4,000 Existing Shares.

ARRANGEMENT ON ODD LOT TRADING AND MATCHING SERVICES

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, a designated broker will be appointed by the Company to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Company's circular to be despatched to the Shareholders.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation and the Change in Board Lot Size; (ii) odd lot arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited has further stated that (i) the market price of the Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000. In view of the fact that the share price of the Company has been trading at a price approaching or below HK\$0.1 for the past two months, and the closing price of the Existing Shares as at the date of this announcement was HK\$0.084 per Share. The value of each existing board lot of 4,000 Existing Shares was HK\$344, which was less than HK\$2,000. Based on the above, the Board resolved to propose the Share Consolidation and the Change in Board Lot Size, resulting in HK\$0.168 per Consolidated Share and HK\$2,688 per board lot of 16,000 Consolidated Shares with the view to complying with the trading requirements under the Listing Rules.

The Directors consider that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. Furthermore, the Share Consolidation and the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

As at the date of this announcement, the Company has (i) no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation; and (ii) does not have any agreement, arrangement, understanding or negotiation (either concluded or in process) on any potential fund-raising activities which will involve issue of shares of the Company and save for the Rights Issue, the Company has no intention or plan to conduct other equity fund-raising activities in the next 12 months upon completion of the Rights Issue. However, if there shall arise any change of the Group’s current circumstances and existing business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund-raising exercises to support such future developments of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

In addition, the Board considers that the Share Consolidation and the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing the Shares from a broader range of institutional and professional investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

In view of the above reasons, the Company considers the Share Consolidation and Change in Board Lot Size are justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

PROPOSED INCREASE IN AUTHROISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Existing Shares to HK\$60,000,000 divided into 6,000,000,000 Existing Shares (or 3,000,000,000 Consolidated Shares after the Share Consolidation becoming effective). Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM.

In order to accommodate the future growth of the Group and to provide the Company with greater flexibility to raise funds from the Rights Issue, the Board considers the Increase In Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

The Board proposes subject to the Share Consolidation and the Increase in Authorised Share Capital having become effective, to conduct the Rights Issue on the basis of two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date. Set out below are the details of the Rights Issue statistics:

Rights Issue Statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.140 per Rights Share
Number of Existing Shares in issue as at the date of this announcement	:	864,000,000 Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	432,000,000 Consolidated Shares (assuming there is no further allotment and issue or repurchase of Shares up to the effective date of the Share Consolidation)
Maximum number of Rights Shares	:	864,000,000 Rights Shares (assuming there is no other change in the total number of issued Shares on or before the Record Date), representing (i) 200% of the total issued Consolidated Shares upon the Share Consolidation becoming effective; and (ii) approximately 66.67% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue
Maximum gross proceeds to be raised from the Rights Issue	:	Approximately HK\$120.96 million

The Subscription Price

The Subscription Price is HK\$0.140 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (i) a discount of 16.67% to the adjusted closing price of HK\$0.168 per Consolidated Share (based on the closing price of HK\$0.084 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (ii) a discount of approximately 17.65% to the adjusted average closing price of approximately HK\$0.170 per Consolidated Share (based on the average closing price of approximately HK\$0.085 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iii) a discount of approximately 17.65% to the adjusted average closing price of HK\$0.170 per Consolidated Share (based on the average closing price of approximately HK\$0.085 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iv) a discount of approximately 6.04% to the theoretical ex-entitlement price of approximately HK\$0.149 per Consolidated Share (based on the closing price of HK\$0.084 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares and adjusted for the effect of the Share Consolidation);
- (v) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 11.11%, represented by the theoretical diluted price of approximately HK\$0.149 per Share to the benchmarked price of approximately HK\$0.168 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Existing Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement and adjusted for the effect of the Share Consolidation); and

- (vi) a discount of approximately 77% to the adjusted consolidated net asset value per Consolidated Share attributable to the Shareholders as at 30 June 2022 of approximately HK\$0.61 per Consolidated Share calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$240,759,000 as at 30 June 2022 as set out in the interim report of the Company for the six months ended 30 June 2022 adjusted by the net proceeds of HK\$20,611,200 received from the placing of new shares under general mandate completed on 5 August 2022; and 864,000,000 Existing Shares in issue as at the date of this announcement after adjusted for the effect of the Share Consolidation.

The Subscription Price and the subscription ratio of the Rights Issue were determined with reference to and having considered (i) the prevailing volatile market conditions of the Hong Kong stock market; (ii) the fluctuated downward trend of the prevailing market prices of the Existing Shares since the beginning of 2022 which decreased from HK\$0.242 on 3 January 2022 to HK\$0.084 as at the Last Trading Day, representing a decrease of approximately 65.29%; (iii) the current financial position of the Group; (iv) the relative large fund-raising size when compared with the market capitalisation of the Company as at the Last Trading Day, it would be reasonable to set the Subscription Price at a relatively deep discount for attracting the Qualifying Shareholders to participate in the Rights Issue; and (v) the reasons for the Rights Issue and the use of proceeds as set out in the section headed “Reasons for the Rights Issue and the Use of Proceeds” in this announcement.

In view of the above, the Directors consider that the terms of the Rights Issue, including the subscription ratio, and the Subscription Price which has been set at a discount to the above-mentioned benchmarked price with an objective to encourage the Qualifying Shareholders to take up their entitlements so as to participate in the potential growth of the Company, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The Directors noted that the Subscription Price represents a discount of approximately 77% to the adjusted consolidated net asset value per Consolidated Share attributable to owners of the Company as at 30 June 2022. It was also noted that the Existing Shares had been in general traded at a substantial discount to the consolidated net assets attributable to owners of the Company per Existing Share over the past six months immediately preceding the Last Trading Day. Therefore, the Directors consider that the current market price of the Existing Shares in fact reflects the value of the Existing Shares that is generally perceived by the market having taken into account all business segments of the Group as well as the prevailing market conditions. Accordingly, the net asset value per Existing Share is not a meaningful benchmark to assess the Subscription Price, instead, the prevailing market price of the Existing Shares would be a more appropriate reference in determining the Subscription Price in this regard.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interest of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not want to participate in the Rights Issue can dispose of the Nil Paid Rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can

maintain their respective existing shareholding interests in the Company and to participate in the growth and development of the Company, in priority to other potential investors; (iii) 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 at a relatively low price as compared to the recent market price of the Existing Shares; (iv) the minority Shareholders have the right to express their view on and vote down the Rights Issue at the EGM; and (v) part of the net proceeds from the Rights Issue will be utilised for the development of the Group's consumer good business which has shown a satisfactory performance with strong growth potential in the interim report of the Company for the year ended 30 June 2022.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

Each Rights Share will have a par value of HK\$0.02.

The aggregate nominal value of the maximum number of Rights Shares will be HK\$17,280,000.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the Rights Issue, any Untaken Shares together with the NQS Unsold Shares will be placed on a best efforts basis by the Placing Agent to independent places under the Placing. Any Untaken Shares and/or NQS Unsold Shares remain unplaced under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

Conditions of the Rights Issue

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

- (i) the passing of all necessary resolutions to be proposed at the EGM for the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Issue) by the Shareholders (other than those who are required to abstain from voting according to the Listing Rules or other applicable laws and regulations if necessary);
- (ii) the Share Consolidation, the Change in Board Lot Size and the Increase in Authorised Share Capital having become effective;
- (iii) the issue by the Stock Exchange of a certificate authorising the registration of, and the registration with the Companies Registry, respectively, of one copy of each of the Prospectus Documents not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus bearing a “For Information Only” stamp to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Posting Date;
- (v) the granting by the Listing Committee of the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (vii) the compliance with any other mandatory requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The above conditions are incapable of being waived. If any of the above conditions are not satisfied at or prior to the respective time stipulated therein or 4:00 p.m. on the Rights Issue Settlement Date (as the case may be), the Rights Issue will not proceed.

Status of the Rights Shares

The Rights Shares, when issued and fully paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Qualifying Shareholders and Non-Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and a Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of Consolidated Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Tuesday, 31 January 2023.

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

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) Consolidated Share 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 Prospectus Documents.

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

No fractional entitlements to the Rights Shares and odd lot matching service

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company.

There will be no excess application arrangements in relation to the Rights Issue.

Rights of Overseas Shareholders

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

If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may be ineligible to take part in the Rights Issue as explained below. The Board will make enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to Overseas Shareholders on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the Rights Issue will not be extended to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus.

To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send PALs to them. The Non-Qualifying Shareholders will not be entitled to any provisional allotment under the Rights Issue.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any NQS Unsold Shares will be placed by the Placing Agent at the price not less than the Subscription Price under the Placing together with the Untaken Shares. The proceeds of the sale as described above, less expenses and in the case of being sold by the Placing Agent, also less the Subscription Price and the Placing Agent's commission, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders' and the No Action Shareholders' shareholdings held on the Record Date on the basis of all NQS Unsold Shares and Untaken Shares in Hong Kong dollars. Any Untaken Shares and the NQS Unsold Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue, subject to the results of the enquiries to be made by the Company. The Company reserves the right to treat as invalid any acceptances of, or applications for, the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Based on the register of members of the Company, there is no Overseas Shareholder as at the date of this announcement.

Share certificates and refund cheques for the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted by Friday, 17 March 2023 to those entitled to them at their registered addresses by ordinary post at their own risk.

Refund cheques, if the Rights Issue is terminated, are expected to be posted on or before Friday, 17 March 2023 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Application for listing and dealing arrangements of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. The nil-paid and fully-paid Rights Shares will be traded in board lots of 16,000 Shares.

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

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, 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 date of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange 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. Shareholders should seek advice from their stock brokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Procedures in respect of the Untaken Shares and the NQS Unsold Shares and the Placing

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Untaken Shares and the NQS Unsold Shares by offering the Untaken Shares and the NQS Unsold Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Untaken Shares and the NQS Unsold Shares to independent placees on a best effort basis after the number of the Untaken Shares and the NQS Unsold Shares that are subject to the Placing Arrangement has been announced. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 6:00 p.m. on the Placing End Date, acquirers for all (or as many as possible) of those Untaken Shares and the NQS Unsold Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Untaken Shares and the NQS Unsold Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Untaken Shares and NQS Unsold Shares) to the No Action Shareholders and the Non-Qualifying Shareholders (but rounded down to the nearest cent). It is proposed that Net Gain to any of the No Action Shareholder(s) or the Non-Qualifying Shareholders of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

The Placing

On 9 December 2022 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, placees to subscribe for the Placing Shares (i.e. the Untaken Shares and/or the NQS Unsold Share during the Rights Issue) on the terms and subject to the conditions set out in the Placing Agreement. Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue through the PAL(s), the Placing will not proceed.

Placing Agreement

The principal terms of the Placing Agreement are summarised below:

Date : 9 December 2022 (after trading hours of the Stock Exchange)

Placing Agent : CNI Securities Group Limited

The Placing Agent confirms that it and its ultimate beneficial owner(s) are Independent Third Parties.

Placing commission and expenses : 0.5% of the gross proceeds from the subscription of the Placing Shares successfully placed by the Placing Agent multiplied by the placing price under the Placing Agreement and reimbursed for the expenses in relation to the Placing (including but not limited to all out-of-pocket expenses actually incurred by the Placing Agent for placing the Placing Shares), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the company at the Placing End Date.

Placing price : The placing price of each of the Untaken Share and/or the NQS Unsold Share (as the case maybe) shall be not less than the Subscription Price. The final price determination will be depended on the demand and market conditions of the Untaken Shares and the NQS Unsold Shares during the process of Placing.

Placing Period : The Placing Period shall commence on Thursday, 2 March 2023, and end at 6:00 p.m. on the Placing End Date (i.e. Thursday, 9 March 2023 under timetable) or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.

Placees : The Placing Agent shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owner(s) shall be Independent Third Parties; (ii) such that no placee shall become a substantial Shareholder immediately following the Placing; and (iii) such that the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

Ranking : The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves with the Consolidated Shares in issue as at the date of allotment and issue of the Placing Shares.

Conditions of the Placing

The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon the following conditions being fulfilled:

- (i) the grant by the Listing Committee of the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (ii) approval of the Rights Issue by Independent Shareholders at the EGM;
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events on or before the Placing Long Stop Date or such later date as may be agreed between the Company and the Placing Agent in writing.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the conditions (other than those set out in paragraphs (i) to (iii) above) by notice in writing to the Company.

The timetable of the Placing is driven by the timetable of the Rights Issue. Under the term of the Placing Agreement, the Placing Period shall commence on Thursday, 2 March 2023, or such other date as the Company may announce. The Placing Period shall end on Thursday, 9 March 2023, or such other date as the Company may announce.

The long stop date for the fulfilment of conditions of the Placing Agreement shall be 4:00 p.m. on Friday, 10 March 2023 (being the next Business Day after the Placing End Date) or such later date as may be announced by the Company. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions and if the said conditions are not fulfilled on or before the Placing Long Stop Date, the Placing Agreement will lapse and become null and void and the Company and the Placing Agent shall be released from all rights and obligations under the Placing Agreement, save the liabilities for any antecedent breaches thereof.

Termination

The Placing Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

Completion of the Placing

Subject to the fulfilment of conditions of the Placing as set out in the section headed "Conditions of the Placing" of this announcement, the completion of the Placing is expected to take place on the third business day after the Placing Long Stop Date (or such later date as the Company may announce).

The engagement between the Company and the Placing Agent of the Untaken Shares and the NQS Unsold Shares was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms. In particular, the Directors, taking into account the range of placing commissions for recent rights issues conducted by issuers listed on the Stock Exchange, consider that the terms of the Placing Agreement, including the placing commission, are normal commercial terms. Given that the Placing would provide (i) a distribution channel of the Untaken Shares and the NQS Unsold Shares; and (ii) a compensatory mechanism for the No Action Shareholders and Non-Qualified Shareholders, the Directors consider that the Placing Agreement is fair and reasonable and in the interest of the Company and its shareholders as a whole.

REASONS FOR THE RIGHTS ISSUE, THE PLACING AND THE USE OF PROCEEDS

The Group is principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, consumer goods business and financial services.

Assuming a maximum of 864,000,000 Rights Shares will be issued under the Rights Issue, the estimated gross proceeds of the Rights Issue will be approximately HK\$120.96 million. The estimated expenses in relation to the Rights Issue will amount to approximately HK\$2 million and the estimated maximum net proceeds of the Rights Issue will be approximately HK\$118.96 million. The net subscription price per Rights Share is expected to be approximately HK\$0.138.

The Company intends to apply the net proceeds from the proposed Rights Issue as follows:

- (a) approximately HK\$45 million for the repayment of the Group's interest-bearing borrowing and its accrued interest which will be due in December 2022;
- (b) approximately HK\$50 million for the development of the Group's consumer goods business;
- (c) approximately HK\$15 million to support the Group's construction and its ancillary services, including but not limited to (i) approximately HK\$3 million for the prepayment to be made to the subcontractors and/or supplies before the commencement of projects; and (ii) approximately HK\$12 million for the initial start-up costs of the Group's construction projects such as subcontract fees, payments to be made to materials suppliers and direct labour cost of which HK\$9 million shall be applied to a construction project in Kwun Tong with a contract sum of over HK\$36 million and HK\$3 million shall be applied to the other eight construction projects in Hong Kong with an aggregate contract sum of approximately HK\$13 million; and
- (d) the remaining of the net proceeds from the Rights Issue for the general working capital of the Group, including but not limited to the staff cost, rental expenses and other office overhead.

Details of the repayment of the Group's interest-bearing borrowing and its accrued interest

As disclosed in the Company's interim report for the six months ended 30 June 2022, the Company had an interest-bearing borrowing of HK\$40 million (the "Loan") as at 30 June 2022 which will fall due in December 2022. As at 30 June 2022, the Group has cash and cash equivalents and trade receivables of approximately HK\$6.61 million and approximately HK\$54.76 million, respectively. Subsequently, the trade receivables have been continuously collected from customers and the Group's principal businesses have been generating operating cash flow continuously since July 2022.

As at 31 October 2022, the outstanding principal amount of the Loan and the accrued interest thereon was HK\$40 million and approximately HK\$3.2 million respectively. As at 30 November 2022, the Group has cash and cash equivalents of approximately HK\$23.30 million and trade receivables of approximately HK\$43.48 million.

However, the Group's internal resources may not have sufficient buffer to develop or expand the Group's business after the repayment of the Loan and its accrued interest. In light of the above and with an aim to strengthen the financial resources of the Group in order to provide more buffer for the future development of the Group, the Company intends to conduct the Rights Issue and apply the net proceeds of approximately HK\$45 million for the repayment of the Loan and its accrued interest. Having negotiated with the lender of the Loan, the lender agreed not to immediately demand the repayment of the outstanding amount of the Loan and its accrued interest (if any) when they fall due on 12 December 2022 and agreed to extend the repayment schedule of the Loan for a half-year period to 12 June 2023. The Directors consider that it is prudent and in the interest of the Company and the Shareholders as a whole to apply approximately HK\$45 million from the net proceeds of the Rights Issue for the repayment of the Group's Loan and its accrued interest so that the Group has sufficient financial resources to meet the financial obligations and to reduce the interest burden, improve the financial position of the Group, and provide the Group with the flexibility to develop and expand its principal business.

Details of the Group's consumer goods business and the intended use of proceeds for the development of the Group's consumer goods business

In view of the continuous growth of the consumer goods business, the Company intends to apply HK\$50 million of the net proceeds from the Rights Issue to cope with the growth of the consumer goods business of which (i) approximately HK\$10 million in setting up two yellow wine-themed bistros in the PRC; (ii) approximately HK\$30 million in purchasing raw materials for the production of the Group's yellow wine products to cope with the increasing demand for such yellow wine products and to improve the Group's profitability; and (iii) approximately HK\$10 million for the capital requirement for daily operations of the Group's consumer goods business.

Business model and financial performance of the consumer goods business

The Company commenced the consumer goods business since the beginning of 2021. The Group's consumer goods business is principally engaged in the production and sales of yellow wine products in the PRC which comprises yellow wines from medium to high grade with different flavors and modern-packaging designs to target young and middle-aged middle class to high class consumers. Zhejiang, Jiangxi and Fujian are among the most popular areas in the PRC in respect of Chinese yellow wine and therefore, the Group's consumer goods business has chosen to base in Jiangxi. The Group operates a wine production plant in Jiangxi with yellow wine production capacity of approximately 3,000 tons per annum.

As disclosed in the annual report of the Company for the year ended 31 December 2021, the Company recorded revenue from the consumer goods business of approximately HK\$73.7 million. As disclosed in the interim report of the Company for the year ended 30 June 2022, the Group's revenue from the consumer goods business for the six months ended 30 June 2022 was approximately HK\$65.2 million, representing approximately 3,430% growth from approximately HK\$1.9 million for the six months ended 30 June 2021.

In respect of the production of the Group's yellow wine products, all the Group's yellow wine products for sale are produced via the Group's self-owned wine production plant located in Jiangxi. The Group has its own blending formula using different aged wine bases fermented from at least two years in producing the Group's yellow wine products. Such wine bases are the most essential materials which accounted for the largest portion of the total production cost. At the start-up stage of the Group's consumer goods business, the Group focused on speeding up the penetration of the yellow wine market in the PRC, and therefore, the Group purchased the most essential raw materials namely different ages of ready made yellow wine bases directly from suppliers despite the fact that self-produced wine bases would make the Group's yellow wine products more profitable. Following the achievement of the consumer goods business which is now more stable, profitable and with higher market share, the management is of the view that it is the right time to gradually shift to producing its own wine bases. Therefore, the Company intends to utilise approximately HK\$30 million from the net proceeds of the Rights Issue in purchasing relevant raw materials necessary to produce its self-made wine bases for the Group's long-term development of the consumer goods business as well as to gradually improve its profitability.

Products

The Group's yellow wine products are sold mainly under the brand labels "Minyue Hong" (閩越紅), "Xian Shisha" (縣石山) and "Xingyun Zhi Guang" (幸運之光). To continuously improve product quality and launch new products to cater for the demand of the market, the Group has a research and development department with 10 employees responsible for quality advancement as well as the development of new wine products.

Customers and sales channel

The Group's yellow wine products are sold mainly to wine dealers and distributors such as food wholesalers, supermarkets and department stores based in Fujian. The Group considers that a prompt and precise marketing and brand-building strategy is one of the essential elements to succeed in the Chinese yellow wine market, and therefore, the Company has allocated and will continue to allocate sufficient resources to promote its yellow wine products by hosting wine-tasting events, wine exhibitions and wine trade fairs in the PRC to attract more recognition from the public and wine distributors on the Group's yellow wine products. The Group employed a sales team of eight staff led by the chairman of the Company who is primarily responsible for formulating marketing strategies to explore more and newer sales channels, analysing marketing data, and establishing and maintaining relationships with existing and potential customers. Currently, the Group's yellow wine business has a customer base of over 1,500 customers.

To further promote the Group's yellow wine products, the Company intends to utilise approximately HK\$10 million for hosting wine-tasting events, wine exhibitions and wine trade fairs in the PRC in the next twelve months and recruiting more staff to support the sales team with an aim to explore more and newer sales channel for the Group's yellow wine products.

Operation scale and expertise

The operation of the Group's consumer goods business is managed by a team of ten members led by the chairman of the Company. The composition of the management team consists of (i) qualified wine technician in the PRC; (ii) professionals with six to over 10 years experiences in the marketing and brand-building industry; (iii) professionals with 10 to over 15 years experiences in managing the operation of wine factory and merchandise procurement; and (iv) experienced professionals in finance.

Currently, the Group's consumer goods business has over 50 employees. The Group has a well-established organisational structure to operate the consumer goods business which includes (i) a production department responsible for the operation of the production plant of yellow wine products; (ii) a sales department responsible for formulating marketing strategies and maintaining customer relationship; (iii) a procurement department for the procurement of materials and merchandises necessary for the production of yellow wine products and daily operation of the Group's consumer goods business; (iv) a research, development and quality control department to ensure the quality of the Group's yellow wine products as well as launching new wine products; and (v) other supporting departments such as finance department and administration department.

Latest development and future prospect

The Company considers the performance of the consumer goods business is promising and the Company, therefore, needs to act proactively and promptly to seize such an opportunity to expand the scale of the consumer goods business and develop the consumer goods business into a reliable source of revenue. As disclosed in the announcements of the Company dated 15 July 2022 and 21 July 2022 (the "**Announcements**"), the Company planned to promote and explore new sales channel for the yellow wine products of the Group by setting up three yellow wine-themed bistros in Hong Kong. The Company originally planned to set up two yellow wine-themed bistros, one in Causeway Bay and one in Tsim Sha Tsui, upon completion of the placing as disclosed in the Announcements and one yellow wine-themed bistro in Central and Western district in the second quarter of 2023 subject to (i) the performance of yellow wine-themed bistros in Tsim Sha Tsui and Causeway Bay; (ii) the economy of Hong Kong; and (iii) the coronavirus situation in Hong Kong and the government's corresponding measures to restrict gathering. However, the Company has re-formulated its plan to set up

two yellow wine-themed bistros in North Point and Central and Western district first instead of in Tsim Sha Tsui and Causeway Bay after having considered that (i) the Company could not reach a mutual agreement with the landlords of Causeway Bay and Tsim Sha Tsui bistros in respect of the rental terms and no other ideal location in Causeway Bay and Tsim Sha Tsui could be identified by the Company; (ii) the Company was able to identify a suitable location in North Point with desirable rental term and North Point is also considered to be an appropriate location to set up yellow wine-themed bistros given the fact that North Point has long been home of people coming from Fujian who are familiar with Chinese yellow wine culture, which may help the Group to promote its yellow wine products; and (iii) the Company has reached a mutual agreement on the rental term at a suitable location in Sheung Wan.

Due to the above reasons, the schedule for setting up two yellow wine-themed bistros in Hong Kong has been delayed. Royal China Bullion Investment Limited, a wholly-owned subsidiary of the Company, has entered into tenancy agreements for the lease of Sheung Wan bistro (the “**Sheung Wan Lease Agreement**”) and the lease of North Point bistro (the “**North Point Lease Agreement**”) with 2 independent landlords in November 2022. The principal terms of the Sheung Wan Lease Agreement and the North Point Lease Agreement are summarised below:

The Sheung Wan Lease Agreement

Date	:	11 November 2022
Premises	:	Shop F on G/F., including Cockloft F, Ko Shing Building, Nos. 48–66 Ko Shing Street, Hong Kong
Term	:	From 15 November 2022 to 14 November 2024 (both days inclusive)
Lettable area	:	Gross floor area of approximately 1,050 square feet
Monthly Rental	:	HK\$36,000 (exclusive of the management fee, government rates and rent, and air-conditioning charges), with a rent-free period of 48 days from 15 November 2022 to 31 December 2022

The North Point Lease Agreement

Date	:	15 November 2022
Premises	:	Portion of shop, G/F., Continental Mansion, 304, King’s Road, 29–37, Cheung Hong Street, Hong Kong
Term	:	From 15 November 2022 to 30 November 2024 (both days inclusive)
Lettable area	:	Gross floor area of approximately 1,000 square feet

Monthly Rental : HK\$23,000 (exclusive of the management fee, government rates and rent, and air-conditioning charges), with a rent-free period of 16 days from 15 November 2022 to 30 November 2022

As at the date of this announcement, the Company is in the course of undergoing the decoration of the North Point bistro and the Sheung Wan bistro and it is expected that these two bistros will be opened in middle of December 2022. The Company is also in the course of identifying a suitable location in Tsim Sha Tsui and it is currently scheduled that the third bistro will be opened in the second quarter of 2023.

In respect of the Group's consumer goods business in the PRC, it is always the core revenue driver of the Group's consumer goods business. In the second half of 2022, the Group successfully developed and introduced the Group's most high-end yellow wine product namely "Xingyun Zhi Guang" (幸運之光) into the market. Since the second half of 2022, the Group started to explore and captured clients outbound Fujian. In respect of the plan to open two yellow wine-themed bistros in the PRC, the Company plans to set up two yellow wine-themed bistros with the size of approximately 500 square meters each in Fuzhou and Quanzhou in Fujian Province within four months upon the Rights Issue Completion. The size and the operating scale of each of the yellow wine-themed bistro in the PRC are expected to be approximately five times larger than the yellow wine-themed bistros in Hong Kong, which will serve a wider range of food and beverages, such as snacks, juice, yellow wine and other alcoholic beverages. For the two yellow wine-themed bistros in the PRC, the Company plans to allocate as to (i) approximately HK\$8.2 million for the store decoration, including but not limited to the store design, water and electricity renovation, ceiling, floor and wall engineering, furniture and audio equipment; (ii) approximately HK\$550,000 for the cost of purchasing food and beverages; (iii) approximately HK\$300,000 for the marketing expenses; and (iv) approximately HK\$950,000 for working capital in operating the two yellow wine-themed bistros in the PRC including but not limited to staff cost and rental expenses. The Company plans to host wine-tasting events and wine exhibitions in the yellow wine-themed bistros in the PRC from time to time in order to continue to promote the Chinese culture of drinking yellow wine, the wine products and the yellow wine-themed bistros of the Group.

As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds from the Rights Issue cannot be ascertained at this point. If the Rights Issue is undersubscribed, the Company intends to apply such net proceeds for repayment of the Group's accrued interest and interest-bearing borrowing first and the remaining net proceeds of the proposed Rights Issue will be utilized in proportion to the remaining uses.

Other Fund-raising Alternatives

Other than the Rights Issue, the Company has considered other debt/equity fund-raising alternatives such as bank borrowings, placing or an open offer. However, the Board considers that debt financing will result in an additional interest burden and a higher gearing ratio of the Group. In addition, debt financing may not be achievable on favourable terms or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. As for

equity fund-raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund-raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

Having considered the above-mentioned alternatives, the Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider raising funds by way of the Rights Issue is more appropriate as the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company, and thus, in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to dispose of, terminate or scale down any of its existing businesses.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
5 August 2022	Placing of new Shares under general mandate	HK\$20,611,200	Approximately HK\$15.85 million for the operation and development of the Group's consumer goods business, and the remaining for general working capital of the Group	(i) Approximately HK\$10.85 million has been utilised for the operation and development of the Group's consumer goods business including (a) HK\$240,000 for rental deposit of the two yellow wine-themed bistros in North Point and Sheung Wan; (b) approximately HK\$3.48 million for furniture and equipment necessary for setting up the three yellow wine-themed bistros in Hong Kong; (c) HK\$200,000 for upfront payment made to suppliers for food and shop wares of the two yellow wine-themed bistros in North Point and Sheung Wan; (d) HK\$800,000 for 50% deposit made to decoration company for the two yellow wine-themed bistros in North Point and Sheung Wan; (e) HK\$280,000 for working capitals including rental expenses of the two yellow wine-themed bistros in North Point and Sheung Wan, staff costs and staff training for the yellow wine-themed bistros; and (f) approximately HK\$5.85 million for hosting sales event in the PRC; (ii) approximately HK\$3.21 million has been utilised as the general working capital of the Group; (iii) the remaining unutilised proceed of approximately HK\$6.55 million will be applied as to (a) HK\$280,000 for setting up the third bistro in Hong Kong which is expected to be utilised in mid of December 2022; (b) HK\$4.72 million for the working capital of the three yellow wine-themed bistros in Hong Kong including staff cost and rental expenses, which is expected to be fully utilised by December 2023; and (iv) approximately HK\$1.55 million for general working capital of the Group, including staff cost, rental expenses and other office overhead of the Group which is expected to be utilised by the first quarter of 2023.

TAXATION

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 Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION, THE CHANGE IN BOARD LOT SIZE, THE RIGHTS ISSUE AND THE PLACING

The expected timetable for the proposed Share Consolidation, the Change in Board Lot Size, the Rights Issue and the Placing is set out below:

Despatch date of the Circular, proxy form and notice
of the EGM on or before
Friday, 30 December 2022

Latest time for lodging transfer documents of Shares to
qualify for attendance and voting at the EGM 4:30 p.m. on
Friday, 13 January 2023

Closure of register of members of the Company to
determine entitlement to attend and vote at the EGM. Monday, 16 January 2023 to
Friday, 20 January 2023
(both days inclusive)

Latest time for lodging proxy forms for the EGM 11:00 a.m. on
Wednesday, 18 January 2023

Record date for attending and voting at the EGM Friday, 20 January 2023

EGM 11:00 a.m. on
Friday, 20 January 2023

Announcement of poll results of the EGM. Friday, 20 January 2023

Re-opening of the register of members of the Company Thursday, 26 January 2023

Effective date of the Share Consolidation Friday, 27 January 2023

Commencement of dealings in the Consolidated Shares Friday, 27 January 2023

Original counter for trading in Existing Shares in
board lots of 4,000 Existing Shares temporarily closes 9:00 a.m. on
Friday, 27 January 2023

Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 27 January 2023
First day for free exchange of existing share certificates for the Existing Shares into new share certificates for the Consolidated Shares	Friday, 27 January 2023
Last day of dealings in the Consolidated Shares on a cum-entitlement basis	Friday, 27 January 2023
First day of dealings in the Consolidated Shares on an ex-entitlement basis	Monday, 30 January 2023
Latest time for lodging transfers of the Consolidated Shares in order for the transferees to qualify for the Rights Issue	4:30 p.m. on Tuesday, 31 January 2023
Closure of register of members to determine the entitlements to the Rights Issue	Wednesday, 1 February 2023 to Tuesday, 7 February 2023 (both days inclusive)
Record Date for the Rights Issue	Tuesday, 7 February 2023
Re-opening of the register of members of the Company	Wednesday, 8 February 2023
Despatch of Prospectus Documents (including the PAL and the Prospectus; in the case of the Non-Qualifying Shareholders, the Prospectus only)	Wednesday, 8 February 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	Friday, 10 February 2023
Effective date of the change in board lot size from 2,000 Consolidated Shares each to 16,000 Consolidated Shares each.	Friday, 10 February 2023

Original counter for trading in the Consolidated Shares in board lots of 16,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 10 February 2023
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in board lots of 2,000 Consolidated Shares and new share certificates in board lots of 16,000 Consolidated Shares) commences	9:00 a.m. on Friday, 10 February 2023
First day of dealings in nil-paid Rights Shares	Friday, 10 February 2023
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Tuesday, 14 February 2023
Last day of dealings in nil-paid Rights Shares	Friday, 17 February 2023
Latest Time for Acceptance.	4:00 p.m. on Wednesday, 22 February 2023
Announcement of the number of the Untaken Shares and NQS Unsold Shares subject to the Placing	Wednesday, 1 March 2023
Commencement of the Placing Period (if there are any Untaken Shares and NQS Unsold Shares available)	Thursday, 2 March 2023
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 2 March 2023
Temporary counter for trading in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 2 March 2023
Parallel trading in Consolidated Shares (in the form of both existing share certificates in board lots of 2,000 Consolidated Shares and new share certificates in board lots of 16,000 Consolidated Shares) ends.	4:10 p.m. on Thursday, 2 March 2023

Last day for free exchange of existing share certificates for the Existing Shares into new share certificates for the Consolidated Shares	Monday, 6 March 2023
Placing End Date for placing the Placing Shares	6:00 p.m. on Thursday, 9 March 2023
Latest Time for the Rights Issue to become unconditional and the Placing Long Stop Date.	4:00 p.m. on Friday, 10 March 2023
Rights Issue Settlement Date and Placing completion date	Wednesday, 15 March 2023
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	Thursday, 16 March 2023
Despatch of share certificates for the Rights Shares or refund cheques, if terminated	Friday, 17 March 2023
First day of dealings in the fully-paid Rights Shares	9:00 a.m. on Monday, 20 March 2023
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any).	Friday, 31 March 2023

Notes:

- (1) Shareholders should note that the dates and deadlines specified in the above timetable, and in other parts of this announcement are indicative only and subject to change. Further announcement(s) will be made if there is any change to the expected timetable.
- (2) All references to times and dates are references to Hong Kong times and dates.

Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place if a tropical cyclone signal No. 8 or above, or “extreme conditions” caused by super typhoons or a “black” rainstorm warning is:

- (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, 22 February 2023, being the date on which the Latest Time for Acceptance falls. In this case, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 22 February 2023, being the date on which the Latest Time for Acceptance falls. In this case, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day on which none of the aforementioned warnings is in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on Wednesday, 22 February 2023, the dates mentioned in the section headed “Expected Timetable for the Share Consolidation, the Change in Board Lot Size, the Rights Issue and the Placing” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation; and (iii) immediately after the Share Consolidation and the Rights Issue Completion assuming (1) there is no change in the issued share capital of the Company from the date of this announcement and up to and including the Record Date; and (2) there is no change in the total number of issued Shares from the date of this announcement up to and including the Record Date:

Shareholder	As at the date of this announcement		Immediately after the Share Consolidation		Immediately after the Share Consolidation and upon the Rights Issue Completion assuming full acceptance by all Shareholders under the Rights Issue		Immediately after the Share Consolidation and upon the Rights Issue Completion assuming (a) no subscription by the Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Places	-	-	-	-	-	-	864,000,000	66.67
Other public Shareholders	864,000,000	100.00	432,000,000	100.00	1,296,000,000	100.00	432,000,000	33.33
Total	864,000,000	100.00	432,000,000	100.00	1,296,000,000	100.00	1,296,000,000	100.00

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

LISTING RULES IMPLICATIONS

The Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Share Consolidation), the Rights Issue is conditional upon the minority Shareholders' approval at the EGM, and any Controlling Shareholders and their associates, or where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the date of this announcement, the Company has no Controlling Shareholder as defined under the Listing Rules and none of the Directors and the chief executive of the Company and their respective associates holds any Share. Accordingly, no Shareholder shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheung Ting Pong, Ms. Zhao Hongqin and Mr. Zhen Jian, to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor.

Sorrento Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Rights Issue and the transactions contemplated thereunder and the voting recommendation on the relevant resolution.

GENERAL

The EGM will be convened and held to consider and, if thought fit, approve, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder. The Circular containing, among other things, (i) details of the Share Consolidation; (ii) details of the Increase in Authorised Share Capital; (iii) further information regarding the Rights Issue and the transactions contemplated thereunder; (iv) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue; (vi) other information required under the Listing Rules; and (vii) the notice of the EGM will be despatched to the Shareholders in due course. As additional time is required to prepare the aforesaid information to be included in the Circular, the Circular is expected to be despatched to the Shareholders on or before Friday, 30 December 2022.

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Wednesday, 8 February 2023. A copy of the Prospectus will also be made available on the websites of the Company (<http://www.hopelife.hk>) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL to them.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue and/or the Placing will not proceed. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be 4:00 p.m. on the Rights Issue Settlement Date will accordingly bear the risk that the Rights Issue may not become unconditional and that the Rights Issue and/or Placing may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 16,000 Consolidated Shares, conditional upon the Share Consolidation becoming effective
“Circular”	the circular to be despatched to the Shareholders in respect of, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue and the Placing
“Companies Registry”	Companies Registry of Hong Kong
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Hope Life International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1683)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$0.02 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue, the Placing and the transactions contemplated thereunder
“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company before the Share Consolidation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Existing Shares to HK\$60,000,000 divided into 6,000,000,000 Existing Shares (or 3,000,000,000 Consolidated Shares after the Share Consolidation becoming effective)
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors namely Mr. Cheung Ting Pong, Ms. Zhao Hongqin and Mr. Zhen Jian, which has been established to advise the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser”	Sorrento Capital Limited, a licensed corporation to carry out Type 6 (Advising on Corporate Finance) regulated activity as defined under the SFO

“Independent Shareholders”	Shareholders other than (i) all executive Directors and their respective associates (as defined under the Listing Rules); (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the EGM
“Independent Third Parties”	third parties independent from, and not connected with, the Company and its connected persons
“Last Trading Day”	9 December 2022, being the last trading day for the Shares immediately prior to the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 22 February 2023 (or such other time and date as may be determined by the Company), being the latest time for the application of, and payment for, the Rights Shares
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Net Gain”	any premiums paid by the placees over the Subscription Price for the Untaken Shares and the NQS Unsold Shares placed by the Placing Agent under the Placing
“Nil Paid Rights”	rights to subscribe for Rights Shares before the Subscription Price is paid
“No Action Shareholders”	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of Nil-Paid Rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights lapse
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board considers necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	arrangements to place the Untaken Shares and the NQS Unsold Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties
“Placing Agent”	CNI Securities Group Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the agreement dated 9 December 2022 entered into between the Company and the Placing Agent in respect of the Placing
“Placing End Date”	6:00 p.m. on Thursday, 9 March 2023 or such other dates as the Company may announce
“Placing Long Stop Date”	4:00 p.m. on Friday, 10 March 2023 (being the next Business Day after the Placing End Date) or such later date as the Company may announce
“Placing Period”	the period from Thursday, 2 March 2023 up to the Placing End Date, being the period during which the Placing Agent will seek to effect the Placing
“Placing Share(s)”	Untaken Share(s) and the NQS Unsold Share(s)
“Posting Date”	Wednesday, 8 February 2023, or such other date as the Company may determine and announce for the despatch of the Prospectus Documents

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	the date by reference to which provisional allotments under the Rights Issue are expected to be determined, which is Tuesday, 7 February 2023 or such later date as may be determined and announced by the Company
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed offer for subscription of the Rights Shares at the Subscription Price on the basis of two (2) Rights Shares for every one (1) Consolidated Share held by the Shareholders on the Record Date and subject to the conditions set out in the section headed “Conditions of the Rights Issue” in this announcement
“Rights Issue Completion”	completion of the Rights Issue
“Rights Issue Settlement Date”	Wednesday, 15 March 2023
“Rights Shares”	the Consolidated Share(s) to be allotted and issued under the Rights Issue, being up to 864,000,000 Shares (assuming there is no other change in the total number of issued Shares from the date of this announcement up to and including the Record Date)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the capital of the Company
“Share Consolidation”	the proposed consolidation of every two (2) Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.140 per Rights Share
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Untaken Share(s)”	the number of unsubscribed Rights Share(s) not taken up by Qualifying Shareholder(s) or renouncee(s) or transferee(s) of Nil-Paid Rights under PAL(s) during the Rights Issue
“%”	per cent.

By order of the Board
Hope Life International Holdings Limited
LIANG Zhichao
Chairman

Hong Kong, 9 December 2022

As at the date of this announcement, the Board of Directors of the Company comprises Mr. LIANG Zhichao and Ms. CHEN Wuyou as Executive Directors; and Mr. CHEUNG Ting Pong, Mr. ZHEN Jian and Ms. ZHAO Hongqin as Independent Non-executive Directors.