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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

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

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of the dealings in the Rights Shares on the Stock Exchange in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or beneficial owners of the Shares who are residents outside Hong Kong should refer to the important information set out in the paragraph headed "Rights of Overseas Shareholders" under the section headed "Letter from the Board" in this Prospectus.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus to jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

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### RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING SHARES HELD ON THE RECORD DATE

Financial Adviser of the Company



Joint Underwriters to the Rights Issue



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Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" in this Prospectus.

It should be noted that the Shares were dealt in on an ex-rights basis from Thursday, 11 January 2024. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 24 January 2024 to Wednesday, 31 January 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement contains provisions granting the Joint Underwriters the right to terminate the obligations of the Joint Underwriters. If the Underwriting Agreement is terminated by the Joint Underwriters, the Rights Issue will not proceed unless condition (iv) of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" under the section headed "Letter from the Board" in this Prospectus is waived.

The Latest Time for Acceptance and payment for the Rights Shares is 4:00 p.m. on Monday, 5 February 2024. The procedures for application and payment for the Rights Shares are set out on pages 15 to 19 of this Prospectus.

22 January 2024

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## EXPECTED TIMETABLE

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The expected timetable for the Rights Issue is set out below:

<b>Event</b>	<b>2024</b>
First day of dealing in Nil Paid Rights Shares . . . . .	Wednesday, 24 January
Latest time for splitting of Nil Paid Rights Shares . . . . .	4:00 p.m. on Friday, 26 January
Last day of dealing in Nil Paid Rights Shares . . . . .	Wednesday, 31 January
Latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares . . . . .	4:00 p.m. on Monday, 5 February
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	4:30 p.m. on Tuesday, 6 February
Announcement of the results of the Rights Issue, the application for excess Rights Shares to be published on the Stock Exchange's website and the Company's website on or before . . . . .	Wednesday, 14 February
Despatch of certificates for fully-paid Rights Shares or refund cheques if the Rights Issue is terminated/unsuccessful applications for excess Rights Shares . . . . .	Thursday, 15 February
Commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Friday, 16 February

All times and dates in this Prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable for the Rights Issue as set out above, and in other parts of this Prospectus, are indicative only, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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## EXPECTED TIMETABLE

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

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

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

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

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 28 December 2023 in relation to the Rights Issue;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Business Day”	any day on which banks are generally open for business in Hong Kong (excluding Saturday and Sunday);
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Elife Holdings Limited (Stock Code: 223), a company incorporated in Cayman Islands with limited liability, and the Shares of which are traded on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the form(s) of application for excess Rights Shares to be issued in connection with the Rights Issue;
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company;
“Joint Underwriters”	DL Securities (HK) Limited and Victory Securities Company Limited;

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## DEFINITIONS

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“Last Trading Day”	Thursday, 28 December 2023, being the last trading day for the Shares immediately before the release of the Announcement;
“Latest Acceptance Date”	Monday, 5 February 2024, being the last day for acceptance and payment in respect of the provisional allotments under the Rights Issue and for application and payment for excess Rights Shares, or such other date as the Company may determine;
“Latest Practicable Date”	16 January 2024, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus;
“Latest Time for Termination”	4:30 p.m. on Tuesday, 6 February 2024 or such other time and date as may be agreed in writing among the Company and the Joint Underwriters, being the latest time and date at which the Joint Underwriters may terminate the Underwriting Agreement;
“Listing Committee”	has the meaning as ascribed to it under the Listing Rules;
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange;
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers;
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid;
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it 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;
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

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## DEFINITIONS

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“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Prospectus Documents”	the Prospectus, the PAL and the EAF;
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in such form as the Company may approve;
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules;
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date;
“Record Date”	19 January 2024, being the date by reference to which entitlements of the Shareholders under the Rights Issue are expected to be determined;
“Registrar”	the branch share registrar and transfer office of the Company, being Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
“Rights Issue”	the proposed offer of the Rights Shares to the Qualifying Shareholders at the Subscription Price, on the basis of one (1) Rights Share for every five (5) existing Shares held by each Qualifying Shareholder on the Record Date;
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue;
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in the incurring of an MGO Obligation on the part of the applicant;
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in the incurring of an MGO Obligation on the part of the applicant;
“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of the Nil Paid Rights shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation;

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## DEFINITIONS

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“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	Share(s) of HK\$0.1 each in the capital of the Company;
“Share Option(s)”	the share option(s) of the Company granted pursuant to the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 8 October 2010;
“Shareholders”	the holders of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.44 per Rights Share;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Underwriting Agreement”	the underwriting agreement dated 28 December 2023 and entered into among the Company and the Joint Underwriters in relation to the Rights Issue;
“Underwritten Rights Shares”	the Rights Shares that are conditionally underwritten by the Joint Underwriters on a best-effort basis pursuant to the terms of the Underwriting Agreement;
“Unsubscribed Rights Shares”	the number of the unsubscribed Rights Share(s) not taken up by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of Nil Paid Rights under the PAL(s);
“%”	per cent.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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If at any time at or prior to the Latest Time for Termination:

- (i) there occurs any new regulation or any change in the existing law or regulation which may in the reasonable opinion of the Joint Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) any material adverse change in the business or in the financial or trading position of the Group as a whole which, in the reasonable opinion of the Joint Underwriters, makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) any material adverse change in market conditions (including a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Joint Underwriters, makes it inexpedient or inadvisable to proceed with the Rights Issue,

then in any such case the Joint Underwriters may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Termination) terminate the Underwriting Agreement.

If the Joint Underwriters give a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Joint Underwriters under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Joint Underwriters exercise their rights to terminate the Underwriting Agreement, the Rights Issue will not proceed unless condition (iv) of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” under the section headed “Letter from the Board” in this Prospectus is waived. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Joint Underwriters.

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## LETTER FROM THE BOARD

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# 易生活控股有限公司 Elife Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 223)

*Executive Directors:*

Mr. Chiu Sui Keung  
Ms. Qin Jiali  
Mr. Zhang Shaoyan  
Mr. Zhao Zhenzhong  
Mr. Guo Wei

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr. Cheng Wing Keung Raymond  
Mr. Lam Williamson  
Mr. Wong Hoi Kuen  
Dr. Lam Lee G

*Principal place of business in*

*Hong Kong:*  
Unit 806, Level 8, Core D,  
Cyberport 3, 100 Cyberport Road,  
Hong Kong

22 January 2024

*To the Shareholders*

Dear Sir or Madam,

### **RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING SHARES HELD ON THE RECORD DATE**

#### **INTRODUCTION**

Reference is made to the Announcement in relation to the Rights Issue.

The purpose of this Prospectus is to provide you with, among other things, (i) further information relating to the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to the Qualifying Shareholders; (ii) financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other information of the Group.

#### **RIGHTS ISSUE**

The Board proposed the Rights Issue, details of which are summarised below:

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## LETTER FROM THE BOARD

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### Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every five (5) existing Shares held on the Record Date
Subscription price:	HK\$0.44 per Rights Share
Number of the existing Shares in issue as at the Latest Practicable Date:	1,083,848,712 Shares
Number of Rights Shares to be issued under the Rights Issue:	(i) 216,769,742 Shares (assuming no new Shares are issued or repurchased on or before the Record Date); or  (ii) 222,273,742 Shares (assuming no new Shares are issued or repurchased other than the full exercise of the outstanding Share Options on or before the Record Date)
Aggregate nominal value of the Rights Shares:	(i) HK\$21,676,974.2 (assuming no new Shares are issued or repurchased on or before the Record Date); or  (ii) HK\$22,227,374.2 (assuming no new Shares are issued or repurchased other than the full exercise of the outstanding Share Options on or before the Record Date)
Maximum enlarged issued share capital upon completion of the Rights Issue:	(i) 1,300,618,454 Shares (assuming no new Shares are issued (other than the Rights Shares) or repurchased on or before the Record Date); or  (ii) 1,333,642,454 Shares (assuming no new Shares are issued (other than the Rights Shares and the full exercise of the outstanding Share Options) or repurchased on or before the Record Date)

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## LETTER FROM THE BOARD

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| Maximum proceeds to be raised under the Rights Issue before expenses: | (i) Up to approximately HK\$95,378,686 (assuming no new Shares are issued or repurchased on or before the Record Date); or  |
|   | (ii) Up to approximately HK\$97,800,446 (assuming no new Shares are issued or repurchased other than the full exercise of the outstanding Share Options on or before the Record Date) |
| Right of excess applications:   | Qualifying Shareholders are entitled to apply for the Rights Shares in excess of their provisional allotment.   |
| Joint Underwriters (in alphabetical order):                           | DL Securities (HK) Limited and Victory Securities Company Limited   |

As at the Latest Practicable Date, there are 27,520,000 outstanding Share Options granted by the Company. Such outstanding Share Options are exercisable into 27,520,000 Shares. Save for the foregoing, the Company has no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

Assuming no Shares are issued or repurchased on or before the Record Date, the maximum number of 216,769,742 Rights Shares to be allotted and issued pursuant to the terms of the Rights Issue represents approximately 20.00% of the total number of the existing issued Shares as at the Latest Practicable Date and approximately 16.67% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

Assuming no Shares are issued or repurchased other than the full exercise of the outstanding Share Options on or before the Record Date, the maximum number of 222,273,742 Shares to be allotted and issued pursuant to the terms of the Rights Issue represents approximately 20.51% of the total number of the existing issued Shares as at the Latest Practicable Date and approximately 16.67% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offer and/or specific mandate placing within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

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## LETTER FROM THE BOARD

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**The Rights Issue is only underwritten on a best-effort basis. Pursuant to the Company's constitutional documents, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of its level of acceptances.**

**In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s) or transferees of nil-paid Rights Shares, and not subscribed by the Joint Underwriters or other subscribers procured by the Joint Underwriters pursuant to the Underwriting Agreement, will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.**

### **Subscription Price**

The Subscription Price of HK\$0.44 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or, where applicable, applies for excess Rights Shares, or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 33.33% over the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 17.96% over the average of the closing prices of approximately HK\$0.373 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Latest Practicable Date;
- (iii) a premium of approximately 3.53% over the closing price of HK\$0.425 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a premium of approximately 4.02% over the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.423;
- (v) a premium of approximately 5.26% over the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.418;

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## LETTER FROM THE BOARD

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- (vi) a premium of approximately 235% over the audited consolidated net asset value attributable to the Shareholders per Share as at 31 March 2023 of approximately HK\$0.131 as extracted from the annual report of the Company for the year ended 31 March 2023; and
- (vii) no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) given that the theoretical diluted price of approximately HK\$0.4283 per Share is higher than the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.426 per Share.

Under the Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its existing shareholdings in the Company. The Subscription Price and the Rights Issue ratio were determined by the Board after arm's length negotiations among the Company and the Joint Underwriters with reference to, among other things, the funding needs of the Group, the market prices of the Shares under the prevailing market conditions and the financial position of the Group. The Board is of the view that the Rights Issue will provide the Group with sufficient funding to develop the Group's businesses in the manner as set out in the paragraph headed "Reasons for the Rights Issue" under the section headed "Letter from the Board" in this Prospectus. As such, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK\$0.435 (assuming no change in the number of Shares in issue on or before the Record Date) or HK\$0.435 (assuming no change in the number of Shares in issue other than the full exercise of outstanding Share Options on or before the Record Date).

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every five (5) existing Shares held by the Qualifying Shareholders as 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 and the Underwriting Agreement.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by duly completing a PAL and lodging the same with a cheque or a banker's cashier order sum payable for the Rights Shares being applied for with the Registrar no later than 4:00 p.m. on the Latest Acceptance Date.

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## LETTER FROM THE BOARD

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If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required.

Any holdings (or balance of holdings) of less than five (5) Shares will not entitle their holders to be provisionally allotted a Rights Share.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders.

To qualify for the Rights Issue, a Qualifying Shareholder must have been registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder. The last day of dealing in the Shares on a cum-rights basis was Wednesday, 10 January 2024 and the Shares have been dealt with on an ex-rights basis from Thursday, 11 January 2024.

Holders of any outstanding Share Options who wish to participate in the Rights Issue should have exercised their outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme and must have been registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

The Qualifying Shareholders who take up their provisional allotment in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

### **Rights of Overseas Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, there are a total of five Overseas Shareholders with registered addresses situated outside Hong Kong in the PRC, which are interested in aggregate of 39,126,506 Shares, representing approximately 3.61% of the total number of the issued Shares. In compliance with the Listing Rules 13.36(2)(a), the Directors have made enquiries with the legal advisers of the PRC on whether or not under the laws of the PRC, the Rights Issue could be extended to the PRC Shareholders. The legal advisers to the Company as to the PRC laws are of view that there are no legal restrictions in the PRC which prohibit the PRC Shareholders from receiving the Rights Shares under the Rights Issue; and there are no requirements of any relevant regulatory body in the PRC that limits the right of the PRC Shareholders to receive the Rights Shares under the Rights Issue. Accordingly, the extension of the Rights Issue to the PRC Shareholders and the offering of the Rights Shares to them will not violate any applicable law or regulations in the PRC. It is the responsibility of the PRC Shareholders to observe the local legal and regulatory requirements applicable to them in their own jurisdiction for taking up and onward sale (if applicable) of the Rights Shares including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdictions in connection with the taking up and onward sale of the Rights Shares. Based upon such advice, the Directors have decided to extend the Rights Issue to the PRC Shareholders. The PRC Shareholders shall therefore be Qualifying Shareholders and there were no Non-Qualifying Shareholders as at the Latest Practicable Date. The Company will continue to ascertain whether there are any other Overseas Shareholders at the Record Date and will make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholder as at the Record Date (where applicable).

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

**The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

### **Status of the Rights Shares**

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

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## LETTER FROM THE BOARD

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### **Fractional entitlements**

The Company will not provisionally allot fractions of Rights Shares and will not accept application for any fractions of Rights Shares. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s).

### **Procedures for acceptance and payment or transfer — PAL**

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. As PAL is a form of temporary document of title, it will be despatched to the Qualifying Shareholder(s) in printed form.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Monday, 5 February 2024 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the paragraph headed “Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares” under the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Tricor Investor Services Limited – A/C No. 059**” and crossed “**Account Payee Only**”. Such payment will constitute acceptance of the provisional allotment of Rights Shares on the terms of the Prospectus Documents and subject to the memorandum and articles of association of the Company. Any payments for the Rights Shares should be rounded to nearest cent.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Monday, 5 February 2024 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the paragraph headed “Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares” under the section headed “Expected Timetable” in this Prospectus), whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

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## LETTER FROM THE BOARD

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If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer all or part of their rights to more than one person (not as joint holders), the original PAL must be surrendered for cancellation by no later than 4:00 p.m. on Friday, 26 January 2024 to the Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company is not obliged to but may (at its sole and absolute discretion) treat PAL(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete such incomplete PAL(s) at a later stage.

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

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

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to you if the overpaid amount is HK\$100 or above.

Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

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## LETTER FROM THE BOARD

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If any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” under the section headed “Letter from the Board” in this Prospectus is not fulfilled or waived (where applicable) by the Latest Time for Termination (or such other time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Hong Kong Branch Share Registrar, Tricor Tengis Limited, on or before Thursday, 15 February 2024.

No receipt will be given in respect of any PAL and/or relevant application monies received.

### **Applications for excess Rights Shares**

The Company shall make the excess Rights Shares available for subscription by the Qualifying Shareholders by means of the EAF(s), and the excess Rights Shares represent:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares prior to 4:00 p.m. on the Latest Acceptance Date;
- (ii) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders for Rights Issue had they been the Qualifying Shareholders for Rights Issue;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares; and
- (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

The Directors will, upon consultation with the Joint Underwriters, allocate any excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to the Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) reference will only be made to the number of excess Rights Shares being applied for but no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;

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## LETTER FROM THE BOARD

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- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling Shareholder(s) or their associates (together, the “**Relevant Shareholders**”), whether in their own name(s) or through nominee(s).

The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares. As at the Latest Practicable Date, the Company does not have a controlling Shareholder.

If the aggregate number of the Unsubscribed Rights Shares is greater than the aggregate number of excess Rights Shares being applied for under the EAFs, the Company will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

The Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar no later than 4:00 p.m. on the Latest Acceptance Date.

Shareholders whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

If the Board notes unusual patterns of excess applications and has reason to believe that any excess applications may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

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## LETTER FROM THE BOARD

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If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Hong Kong Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Monday, 5 February 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Tricor Investor Services Limited – A/C No. 060**" and crossed "**Account Payee Only**".

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post to his/her/its registered address at his/her/its own risk by the Registrar on Thursday, 15 February 2024. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his/her/its own risk by the Registrar on Thursday, 15 February 2024.

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

Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Joint Underwriters and/or subscribers procured by them on a best-effort basis pursuant to the terms and conditions of the Underwriting Agreement.

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue and the Underwriting Agreement as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Thursday, 15 February 2024 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risks. Each Shareholder (except HKSCC Nominees Limited) will receive one share certificate for all allotted Rights Shares.

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## LETTER FROM THE BOARD

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If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments and/or excess applications (if applicable) will be refunded to the Qualifying Shareholders or such other person to whom the Nil Paid Rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on or around Thursday, 15 February 2024. No receipt will be given for such remittance.

Refund cheques in respect of wholly or partially unsuccessful applications for the Rights Shares and the excess Rights Shares (if any) are expected to be sent by ordinary post on or around Thursday, 15 February 2024 to the applicants to their registered addresses at their own risk.

### **Scale-down of subscriptions to avoid the triggering of MGO Obligation or non-compliance of Public Float Requirement**

Without prejudice to the generality of the Underwriting Agreement, as the Rights Issue is only underwritten by the Joint Underwriters on a best-effort basis, to avoid the unwitting triggering of MGO Obligations or the non-compliance of the Public Float Requirement, all applications for the Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Joint Underwriters will be made on the basis that the applications are to be scaled-down by the Company to a level which does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, or which does not result in the Company's failure to comply with the Public Float Requirement. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for the Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation or which do not result in the Company's failure to comply with the Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

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## LETTER FROM THE BOARD

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### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in same board lot size as the Shares, i.e., 20,000 shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

### **Stamp duty and other applicable fees**

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

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights 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. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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## LETTER FROM THE BOARD

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### UNDERWRITING AGREEMENT

On 28 December 2023 (after trading hours), the Company and the Joint Underwriters entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue. Details of the Underwriting Agreement are as follows:

Date: 28 December 2023

- Joint Underwriters:
- (i) DL Securities (HK) Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and its ordinary course of business includes underwriting of securities; and
  - (ii) Victory Securities Company Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, and its ordinary course of business includes underwriting of securities.

DL Securities (HK) Limited is a wholly-owned subsidiary of DL Holdings Group Limited (whose shares are listed on the Main Board of the Stock Exchange). Victory Securities Company Limited is a wholly-owned subsidiary of Victory Securities (Holdings) Company Limited (whose shares are listed on GEM of the Stock Exchange). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Joint Underwriters, DL Holdings Group Limited and Victory Securities (Holdings) Company Limited are Independent Third Parties.

Each of the Joint Underwriters confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

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## LETTER FROM THE BOARD

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Number of Underwritten Rights Shares being underwritten by the Joint Underwriters:

Subject to the terms and conditions of the Underwriting Agreement, the Joint Underwriters agreed to procure, on a best effort basis, the subscription for:

- (i) up to 216,769,742 Underwritten Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); or
- (ii) up to 222,273,742 Underwritten Rights Shares (assuming no change in the number of Shares other than the full exercise of the outstanding Share Options on or before the Record Date).

Commission:

The Company shall pay to the Joint Underwriters an underwriting commission equal to 2.5% of the aggregate subscription amount in respect of such number of the Rights Shares actually procured by the Joint Underwriters for subscription pursuant to the Underwriting Agreement, provided that each Underwriter shall be entitled to an underwriting commission of no less than HK\$25,000.

Pursuant to the Underwriting Agreement, the Joint Underwriters shall ensure that (i) each of the subscribers of the Underwritten Rights Shares procured by them shall be an Independent Third Party; (ii) none of the subscribers of the Underwritten Rights Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; (iii) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue; and (iv) the Joint Underwriters or each subscriber procured by the Joint Underwriters (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.

The Rights Issue is underwritten by the Joint Underwriters on a best-effort basis pursuant to the terms of the Underwriting Agreement. In view of the Subscription Price at premium over the recent average of the closing prices per Share as set out in the paragraph headed “Subscription Price” under the section headed “Letter from the Board” in this Prospectus, the prevailing and expected market conditions and the size of the Rights Issue, the Board considered that it may be difficult to find an underwriter to underwrite the Rights Issue on a fully underwritten basis at reasonable costs. On the other hand, if the Rights Issue were to proceed on a non-underwritten basis and if the Rights Issue were to be undersubscribed, the Company may not be able to raise additional funds.

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## LETTER FROM THE BOARD

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According to the expected timetable, the Company will despatch the Prospectus Documents on 22 January 2024. After the despatch of the Prospectus Documents to the Qualifying Shareholders, the Joint Underwriters will commence the process of identifying any sub-underwriters and/or subscribers for the Rights Issue. The Joint Underwriters will approach potential sub-underwriters and/or subscribers and introduce the Group's background, businesses and prospects to them. During the period from 23 January 2024 to 31 January 2024, the Joint Underwriters, as required, may conduct investors meetings, analyst presentations, conference calls, etc. as well as prepare questions and answers sessions with management of the Company, investors presentations and investor focused marketing materials. The Joint Underwriters had not procured any sub-underwriters and/or subscribers as at the Latest Practicable Date. In respect of any sub-underwriters and/or subscribers that may be procured, the Joint Underwriters will then enter into sub-underwriting letters with the sub-underwriters and/or subscription letters with subscribers by 31 January 2024. The Joint Underwriters will ensure that any sub-underwriter procured shall meet the requirement under Rule 7.19(1) and shall be an Independent Third Party.

The terms of the Underwriting Agreement (including the underwriting commission and fee) were determined after arm's length negotiations among the Company and the Joint Underwriters with reference to the size of the Rights Issue, the current and expected market conditions and the prevailing market rate of commission and are on normal commercial terms. Although the Company did not approach other underwriters for underwriting the Rights Issue, the Company had secured the Joint Underwriters and used its best endeavour to explore the best terms with them. In particular, the Company has considered the prevailing market rate of underwriting commission ranging from 1% to 4% with reference to 4 transactions of which prospectuses were issued by companies listed on the Stock Exchange involving rights issue conducted by such companies that are underwritten on a best-effort basis during 2023 before the Last Trading Day. Taking into account the prevailing market rate of underwriting commission of rights issues on a best-effort basis, the Board was of the view that the underwriting commission at the rate of 2.5% of the aggregate subscription amount in respect of the Rights Shares actually subscribed by the Joint Underwriters or subscribers procured by it falls within the range of market rate of underwriting commission and therefore is fair and reasonable. Taking into account the aforesaid, the Directors considered that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

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## LETTER FROM THE BOARD

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Subject to the fulfilment of all the conditions precedent contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Joint Underwriters shall subscribe for or procure the subscription, on a best-effort basis, on the terms of the Prospectus Documents (insofar as the same are applicable) for such Underwritten Shares.

If the Joint Underwriters terminates the Underwriting Agreement, the Rights Issue will not proceed unless condition (iv) of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” under this section is waived. Further announcement would be made by the Company if the Underwriting Agreement is terminated by the Joint Underwriters.

### **Conditions of the Rights Issue and the Underwriting Agreement**

The completion of the Rights Issue and the obligations of the Joint Underwriters under the Underwriting Agreement are conditional on each of the following conditions being fulfilled:

- (i) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified in compliance with the Companies (WUMP) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance, the Companies Ordinance and the Listing Rules;
- (ii) the despatch of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders, if any, for information purpose only;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms; and
- (iv) the Underwriting Agreement not being terminated by the Joint Underwriters in accordance with the terms thereof.

All of the conditions (except condition (iv)) are incapable of being waived. If the conditions above are not satisfied by the Latest Time for Termination (or such other time and/or date as the Company may determine), the Rights Issue shall be terminated. As at the Latest Practicable Date, none of the conditions precedent has been fulfilled.

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## LETTER FROM THE BOARD

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### Termination of the Underwriting Agreement

If at any time at or prior to the Latest Time for Termination:

- (i) there occurs any new regulation or any change in the existing law or regulation which may in the reasonable opinion of the Joint Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) any material adverse change in the business or in the financial or trading position of the Group as a whole which, in the reasonable opinion of the Joint Underwriters, makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) any material adverse change in market conditions (including a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Joint Underwriters, makes it inexpedient or inadvisable to proceed with the Rights Issue,

then in any such case the Joint Underwriters may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Termination) terminate the Underwriting Agreement.

If the Joint Underwriters give a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Joint Underwriters under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Joint Underwriters exercise their rights to terminate the Underwriting Agreement, the Rights Issue will not proceed unless condition (iv) of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” under this section is waived. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Joint Underwriters.

### SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; (iii) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and none of the Unsubscribed Rights Shares are taken up by the Joint Underwriters or subscribers procured by the Joint Underwriters; and (iv) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares are taken up by the Joint Underwriters or subscribers procured by the Joint Underwriters:

## LETTER FROM THE BOARD

- (a) assuming no outstanding Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and none of the Unsubscribed Rights Shares are taken up by the Joint Underwriters or subscribers procured by the Joint Underwriters		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares are taken up by the Joint Underwriters or subscribers procured by the Joint Underwriters	
	Approximate		Approximate		Approximate		Approximate	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<b>Directors of the Company and its subsidiaries</b>								
Mr. Chiu Sui Keung	5,654,200	0.52	6,785,040	0.52	5,654,200	0.52	5,654,200	0.43
Ms. Qin Jiali	43,060,000	3.97	51,672,000	3.97	43,060,000	3.97	43,060,000	3.31
Mr. Zhang Shaoyan	5,346,000	0.49	6,415,200	0.49	5,346,000	0.49	5,346,000	0.41
Mr. Zhao Zhenzhong	52,660,000	4.86	63,192,000	4.86	52,660,000	4.86	52,660,000	4.05
Mr. Guo Wei	33,260,000	3.07	39,912,000	3.07	33,260,000	3.07	33,260,000	2.56
Mr. Cheng Wing Keung, Raymond	408,200	0.04	489,840	0.04	408,200	0.04	408,200	0.03
Mr. Lam Williamson	436,200	0.04	523,440	0.04	436,200	0.04	436,200	0.03
Mr. Wong Hoi Kuen	436,200	0.04	523,440	0.04	436,200	0.04	436,200	0.03
Dr. Lam Lee G.	200,000	0.02	240,000	0.02	200,000	0.02	200,000	0.02
Other directors of the subsidiaries of the Company	46,060,000	4.25	55,272,000	4.25	46,060,000	4.25	46,060,000	3.54
<b>Ex-Directors</b>								
Mr. Zhang Xiaobin (Note 1)	19,130,298	1.77	22,956,357	1.77	19,130,298	1.77	19,130,298	1.47
Mr. Gao Feng (Note 1)	50,351,506	4.65	60,421,807	4.65	50,351,506	4.65	50,351,506	3.87
<b>Sub-total:</b>	<b>257,002,604</b>	<b>23.71</b>	<b>308,403,124</b>	<b>23.71</b>	<b>257,002,604</b>	<b>23.71</b>	<b>257,002,604</b>	<b>19.76</b>
<b>Public</b>								
Joint Underwriters and/or subscriber(s) procured by them	-	-	-	-	-	-	216,769,742	16.67
Other public shareholders	826,846,108	76.29	992,215,330	76.29	826,846,108	76.29	826,846,108	63.57
<b>Sub-total:</b>	<b>826,846,108</b>	<b>76.29</b>	<b>992,215,330</b>	<b>76.29</b>	<b>826,846,108</b>	<b>76.29</b>	<b>1,043,615,850</b>	<b>80.24</b>
<b>Total:</b>	<b>1,083,848,712</b>	<b>100.00</b>	<b>1,300,618,454</b>	<b>100.00</b>	<b>1,083,848,712</b>	<b>100.00</b>	<b>1,300,618,454</b>	<b>100.00</b>

*Notes:*

- Both Mr. Zhang Xiaobin and Mr. Gao Feng retired as executive Directors with effect from 29 September 2023. They are no longer required to make disclosure of any change in shareholding of the Company as a Director after 29 September 2023. Their shareholdings set out in the above table are derived from public information and based on the best knowledge of the Directors.
- Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## LETTER FROM THE BOARD

- (b) assuming all outstanding Share Options being exercised on or before the Record Date and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately after full exercise of all outstanding Share Options but otherwise no other change to the number of issued Shares up to the Record Date		Immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and none of the Unsubscribed Rights Shares are taken up by the Joint Underwriters or subscribers procured by the Joint Underwriters		Immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares are taken up by the Joint Underwriters or subscribers procured by the Joint Underwriters	
	No. of shares	Approximate %	No. of shares	Approximate %	No. of shares	Approximate %	No. of shares	Approximate %	No. of shares	Approximate %
<b>Directors of the Company and its subsidiaries</b>										
Mr. Chiu Sui Keung	5,654,200	0.52	11,454,200	1.03	13,745,040	1.03	11,454,200	1.03	11,454,200	0.86
Ms. Qin Jiali	43,060,000	3.97	43,060,000	3.87	51,672,000	3.87	43,060,000	3.87	43,060,000	3.23
Mr. Zhang Shaoyan	5,346,000	0.49	11,146,000	1.00	13,375,200	1.00	11,146,000	1.00	11,146,000	0.84
Mr. Zhao Zhenzhong	52,660,000	4.86	52,660,000	4.74	63,192,000	4.74	52,660,000	4.74	52,660,000	3.95
Mr. Guo Wei	33,260,000	3.07	33,260,000	2.99	39,912,000	2.99	33,260,000	2.99	33,260,000	2.49
Mr. Cheng Wing Keung, Raymond	408,200	0.04	988,200	0.09	1,185,840	0.09	988,200	0.09	988,200	0.07
Mr. Lam Williamson	436,200	0.04	1,016,200	0.09	1,219,440	0.09	1,016,200	0.09	1,016,200	0.08
Mr. Wong Hoi Kuen	436,200	0.04	1,016,200	0.09	1,219,440	0.09	1,016,200	0.09	1,016,200	0.08
Dr. Lam Lee G.	200,000	0.02	780,000	0.07	936,000	0.07	780,000	0.07	780,000	0.06
Other directors of the subsidiaries of the Company	46,060,000	4.25	50,460,000	4.54	60,552,000	4.54	50,460,000	4.54	50,460,000	3.78
<b>Ex-Directors</b>										
Mr. Zhang Xiaobin (Note 1)	19,130,298	1.77	19,130,298	1.72	22,956,357	1.72	19,130,298	1.72	19,130,298	1.43
Mr. Gao Feng (Note 1)	50,351,506	4.65	50,351,506	4.53	60,421,807	4.53	50,351,506	4.53	50,351,506	3.78
<b>Sub-total:</b>	<b>257,002,604</b>	<b>23.71</b>	<b>275,322,604</b>	<b>24.77</b>	<b>330,387,124</b>	<b>24.77</b>	<b>275,322,604</b>	<b>24.77</b>	<b>275,322,604</b>	<b>20.64</b>
<b>Public</b>										
Joint Underwriters	-	-	-	-	-	-	-	-	222,273,742	16.67
Other public shareholders	826,846,108	76.28	836,046,108	75.23	1,003,255,330	75.23	836,046,108	75.23	836,046,108	62.69
<b>Sub-total:</b>	<b>826,846,108</b>	<b>76.28</b>	<b>836,046,108</b>	<b>75.23</b>	<b>1,003,255,330</b>	<b>75.23</b>	<b>836,046,108</b>	<b>75.23</b>	<b>1,058,319,850</b>	<b>79.36</b>
<b>Total:</b>	<b>1,083,848,712</b>	<b>100.00</b>	<b>1,111,368,712</b>	<b>100.00</b>	<b>1,333,642,454</b>	<b>100.00</b>	<b>1,111,368,712</b>	<b>100.00</b>	<b>1,333,642,454</b>	<b>100.00</b>

*Notes:*

- Both Mr. Zhang Xiaobin and Mr. Gao Feng retired as executive Directors with effect from 29 September 2023. They are no longer required to make disclosure of any change in shareholding of the Company as a Director after 29 September 2023. Their shareholdings set out in the above table are derived from public information and based on the best knowledge of the Directors.
- Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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## LETTER FROM THE BOARD

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Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

Pursuant to the Underwriting Agreement, in the event of the Joint Underwriters being called upon to subscribe for or procure subscription for the Underwritten Rights Shares, the Joint Underwriters shall confirm with the Company the actual number of the Underwritten Rights Shares by 4:00 p.m. on the Latest Acceptance Date and shall procure for subscription therefor on the best-effort basis whilst using its best endeavours to ensure that (1) each of the subscribers of the Underwritten Rights Shares procured by the Joint Underwriters shall be an Independent Third Party; (2) none of the subscribers of the Underwritten Rights Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; (3) the Public Float Requirement be fulfilled by the Company upon completion of the Rights Issue; and (4) the Joint Underwriters or each subscriber procured by the Joint Underwriters (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.

### **POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

Pursuant to the terms of the Share Option Scheme, the subscription prices on the exercise of the Share Options and/or number of Shares related to the Share Options under the Share Option Scheme may be adjusted in accordance with the Share Option Scheme upon the Rights Issue becoming unconditional. The Company will notify the holders (if any) of the Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

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## LETTER FROM THE BOARD

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### FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date:

Date of announcements	Event	Net proceeds (raised) (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
16 October 2023 and 1 November 2023	Placing of 180,640,000 new Shares at the placing price of HK\$0.14 each to not less than six placees under general mandate	HK\$24,500,000	The net proceeds were intended to be used as to HK\$2,500,000 for replenishing the working capital of the Group and as to HK\$22,000,000 for developing the Group's businesses.	As at the date hereof, the net proceeds has been fully utilised as intended.
12 December 2022, 5 January 2023, 20 January 2023, 16 February 2023, 10 March 2023, 31 March 2023, 21 April 2023, 12 May 2023, 2 June 2023, 23 June 2023 and 27 June 2023	Placing of 150,520,000 new Shares at the placing price of HK\$0.103 each to not less than six placees under general mandate	HK\$14,578,000	The net proceeds were intended to be used as to HK\$8,000,000 for replenishing the working capital of the Group and as to HK\$6,578,000 for developing the Group's businesses.	As at the date hereof, the net proceeds has been fully utilised as intended.

Save as the abovementioned, the Company had not conducted any other fundraising exercise in the past 12 months immediately preceding the Latest Practicable Date.

### REASONS FOR THE RIGHTS ISSUE

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in the supply chain business for branded goods and consumer products in the Greater China region. In 2023, the Group has restructured and upgraded its supply chain business by expanding its sales channels at various levels, upgrading the traditional business to business (B2B) model to business to channels to customers (B2C2C) model covering different online and offline sales channels, and developing various value-added services such as brand building, management and promotion for brand owners (or their advertising agents).

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## LETTER FROM THE BOARD

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The Group, guided by its business philosophy of delivering “an easier life and better livelihood”, serves as a brand digital and intelligence service provider and specialises in providing comprehensive lifecycle digitalisation service for brands, focusing on brand management, brand promotion and brand supply chain. Leveraging an extensive array of scenario-based digital media in hotel platforms, the Group aims to offer brand strategic services and digital advertising system. The overarching goal is to assist brands in creating an experience-driven economy and fostering scenario-based integrated marketing. The Group’s operating objective is to expand its brand promotion and brand supply chain business into the six major segments of modern human production and living, namely “dining, lodging, transportation, travel, shopping and entertainment”. In November and December 2023, the Group took the lead in launching an all-round cooperation with (i) the brand “Skyworth Auto” in respect of new energy automobiles, (ii) the tourism bureaus of Anshun City and Qiannan Buyei and Miao Autonomous Prefecture in relation to tourism segment, and (iii) Guitai Liquor Brand in respect of catering sector. For details, please refer to the announcements of the Company dated 27 November 2023, 11 December 2023 and 28 December 2023.

The Group has strategically reallocated its workforce and resources towards the development of the supply chain business, with focus on brand promotion. In June and November 2023, the Company completed two rounds of share placements, raising net proceeds totaling approximately HK\$39 million, which has been fully utilised as intended. Over the course of the six months ended 30 September 2023, the Group generated approximately HK\$57.8 million in revenue from provision of brand promotion services, accounting for approximately 79.02% of the total revenue of the Group, which highlights the Group’s proactive endeavours in this area.

The Group plans to continue developing its brand promotion and brand supply chain businesses and requires substantial financial and operational resources to expand and raise the scale of the operations. The net proceeds from the Rights Issue will not only provide the necessary funding to facilitate the development and expansion of the Group’s brand promotion business and brand supply chain business but also strengthen the financial positions of the Group. For details of the proposed use of the net proceeds from the Rights Issue, please refer to the paragraph headed “Proposed Use of Proceeds” below.

The Board considers that it is prudent to finance the Group’s long-term growth by long term financing, preferably in the form of equity which will not increase the Group’s finance costs. Before resolving to proceed with the proposed Rights Issue, the Board has considered other fund-raising alternatives, including but not limited to debt financing, placing and open offer. In respect of debt financing, it will result in additional interest burden and higher gearing ratio of the Group and usually require asset pledging and corporate guarantees. In addition, debt financing may not be achievable on favourable terms in a timely manner. Therefore, the Directors are of the view that debt financing from financial institutions is of limited accessibility and undesirable effects and such funding method is not in the interests of the Company and its Shareholders as a whole. As for 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 the 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 unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the Nil Paid Rights attaching thereto.

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## LETTER FROM THE BOARD

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On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, will allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considers that it is in the interests of the Company and the Shareholders as a whole to proceed with the Rights Issue to provide the existing Shareholders an opportunity to participate in the enlarged capital base of the Company.

### PROPOSED USE OF PROCEEDS

The maximum gross proceeds from the Rights Issue (after deducting the expenses) are estimated to be (i) approximately HK\$95.38 million (assuming no change in the number of Shares in issue on or before the Record Date) or (ii) HK\$97.80 million (assuming no change in the number of Shares in issue other than the full exercise of the outstanding Share Options on or before the Record Date).

The estimated expenses of the Rights Issue are approximately HK\$1.00 million, which exclude underwriting commission but include professional fees payable to financial adviser, legal advisers, financial printer and other parties involved in the Rights Issue. The maximum net proceeds from the Rights Issue (after deducting the expenses) are estimated to be (i) approximately HK\$94.38 million (assuming no change in the number of Shares in issue on or before the Record Date) or (ii) HK\$96.80 million (assuming no change in the number of Shares in issue other than the full exercise of the outstanding Share Options on or before the Record Date).

Assuming the Rights Issue is fully subscribed and there will be no change in the number of Shares in issue on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue as to:

- (i) approximately HK\$40.00 million, being approximately 42.38% of the net proceeds, for developing the Group's brand promotion business, including deposits and prepayment for the purchase of media resources and the expansion of the sales and marketing team;
- (ii) approximately HK\$40.00 million, being approximately 42.38% of the net proceeds, for developing the Group's brand supply chain business, including the establishment of additional operating centres in China and the purchase of a retail platform for the digitalisation of the supply chain business of approximately HK\$7.00 million; and
- (iii) approximately HK\$14.38 million, being approximately 15.24% of the net proceeds, as general working capital of the Group, including but not limited to staff costs, rental expenses, utilities expenses and other general overhead expenses.

From the information currently available, the Company expects to completely utilise the proceeds of the Rights Issue on or before 30 September 2024.

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## LETTER FROM THE BOARD

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The Rights Issue will proceed irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is undersubscribed, any Rights Shares that are not taken up under the PALs and the EAFs will be subscribed by the Joint Underwriters or other subscribers procured by the Joint Underwriters, on a best effort basis, pursuant to the Underwriting Agreement. Any Rights Shares that are not taken up under the PALs and the EAFs and also not subscribed by the subscribers procured by the Joint Underwriters will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

In the event that the Rights Issue is not subscribed in full, the net proceeds of the Rights Issue will be utilised in proportion to the above intended uses. In the event that additional Shares are issued upon exercise of the outstanding Share Options on or before the Record Date, the net proceeds of the additional Rights Shares issued will be utilised in proportion to the above intended uses.

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

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, (i) the fulfillment and/or waiver (where applicable) 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; and (ii) the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Please refer to the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” under the section headed “Letter from the Board” in this Prospectus. Accordingly, the Rights Issue will not proceed if any of the conditions of the Rights Issue is not fulfilled or waived (where applicable).**

The Shares were dealt in on an ex-rights basis from Thursday, 11 January 2024. Dealing in the Rights Shares in nil-paid form are expected to take place from Wednesday, 24 January 2024 to Wednesday, 31 January 2024 (both dates inclusive).

Any dealing in the Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

### **ADDITIONAL INFORMATION**

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

Yours faithfully,  
By Order of the Board  
**Elife Holdings Limited**  
**Chow Chi Fai**  
*Company Secretary*

**1. SUMMARY OF FINANCIAL INFORMATION**

Financial information of the Group for each of the three financial years ended 31 March 2021, 2022 and 2023, and the six months ended 30 September 2023 were disclosed on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.capitalfp.com.hk/eng/index.jsp?co=223>). Set out below are links to the relevant annual reports and interim report of the Company:

- (i) The annual report of the Company for the year ended 31 March 2021 published on 27 July 2021 (pages 56 to 171):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0727/2021072700817.pdf>

- (ii) The annual report of the Company for the year ended 31 March 2022 published on 18 July 2022 (pages 57 to 175):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0718/2022071800434.pdf>

- (iii) The annual report of the Company for the year ended 31 March 2023 published on 27 July 2023 (pages 58 to 171):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0727/2023072700297.pdf>

- (iv) The interim report of the Company for the six months ended 30 September 2023 published on 11 December 2023 (pages 10 to 43):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1211/2023121100308.pdf>

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2023, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

	<b>As at</b> <b>30 November</b> <b>2023</b> <i>HK\$'000</i>
Current	
Lease liabilities	1,580
Amounts due to shareholders	16,312
Amounts due to non-controlling interests	8,716
Non-current	
Lease liabilities	<u>2,547</u>
	<u><u>29,155</u></u>

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal payables and accruals in the ordinary course of business, the Group did not have any bank overdrafts or loans, or other similar indebtedness, guarantees, material capital commitment or other material contingent liabilities outstanding as at the close of business on 30 November 2023.

## 3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, taking into account the financial resources presently available to the Group, including the internally generated funds from operations and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this Prospectus.

#### 4. MATERIAL ADVERSE CHANGE

On 17 January 2023, Sino Talent Holdings Limited (“**Sino Talent**”) (a wholly-owned subsidiary of the Company) and Mr. Gao Feng (“**Mr. Gao**”) (an ex director of the Company) entered into an amendment agreement to the repayment agreement (the “**Amended Repayment Agreement**”) whereby Mr. Gao agreed to repay the outstanding principal (including accrued interest as at 31 December 2022) under a loan of approximately HK\$21,990,000 according to the repayment schedule set out therein by 31 December 2023. Up to 31 December 2023, Sino Talent received an aggregate of approximately HK\$2,570,000 from Mr. Gao for partial settlement of the outstanding debt under the Amended Repayment Agreement. As at 31 December 2023, the outstanding debt including accumulated interest under the Amended Repayment Agreement amounted to approximately HK\$20,365,000. Since 21 December 2023, the Company has been actively communicating with Mr. Gao and demanding repayments. Despite repeated requests by the Company, Mr. Gao failed to repay the outstanding debt under the Amended Repayment Agreement as at the Latest Practicable Date. The Company will persist in its communication with Mr. Gao with the aim of reaching agreement on an updated repayment schedule for the outstanding debt. For further details, please refer to the announcement of the Company dated 16 January 2024.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

#### 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in the supply chain business for branded goods and consumer products in the Greater China region. In 2023, the Group has restructured and upgraded its supply chain business by expanding its sales channels at various levels, upgrading the traditional business-to-business (B2B) model to business-to-channels-to-customers (B2C2C) model covering different online and offline sales channels, and developing various value-added services such as brand building, management and promotion for brand owners (or their advertising agents).

Over the course of the six months ended 30 September 2023, the Group generated approximately HK\$57.8 million in revenue from provision of brand promotion services, accounting for approximately 79.02% of the total revenue of the Group, which highlights the Group’s proactive endeavours in this area. The Group plans to continue developing its brand promotion and brand supply chain businesses.

The Group’s operating objective is to expand its brand promotion and brand supply chain business into the six major segments of modern human production and living, namely “dining, lodging, transportation, travel, shopping and entertainment”. The Group has strategically reallocated its workforce and resources towards the development of the supply chain business, with focus on brand promotion. In November and December 2023, the Group took the lead in launching an all-round cooperation with (i) the brand “Skyworth Auto” in respect of new energy automobiles, (ii) the tourism bureaus of Anshun City and Qiannan Buyei and Miao Autonomous Prefecture in relation to tourism segment, and (iii) Guitai Liquor Brand in respect of catering sector. For details, please refer to the announcements of the Company dated 27 November 2023, 11 December 2023 and 28 December 2023.

The Group plans to replicate such cooperation model in other sectors, thus enabling the Group to provide comprehensive branding services to a greater number of renowned brands and create more favourable conditions for brand owners, which is in line with the Company's business philosophy of delivering "an easier life and better livelihood".

With the progress and efforts that the Group has made in the restructuring and upgrading of its supply chain business and in the development of its brand promotion business, the Group will continue to work towards strengthening its core competence and improving its overall performance amid potential improvement of the global economic conditions in the future.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 30 September 2023 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company had the Rights Issue been completed as at 30 September 2023 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023, as extracted from the Group’s unaudited condensed consolidated statement of financial position as at 30 September 2023, as extracted from the published interim report of the Company for the six months period ended 30 September 2023, and is adjusted for the effect of the Rights Issue described below.

	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 prior to the completion of the Rights Issue per Share	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue per Share
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$ (Note 4)	HK\$ (Note 5)
Based on 216,769,742 Rights Shares to be issued at subscription price of HK\$0.44 per Rights Share	104,869	94,379	199,248	0.116	0.178

*Notes:*

- (1) The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 is extracted from the interim report of the Company for the six months ended 30 September 2023, which is equal to the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 September 2023 of approximately HK\$104,869,000.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$94,379,000 are based on 216,769,742 Rights Shares to be issued (in the proportion of one (1) rights share for every five (5) existing shares held on record date) at the subscription price of HK\$0.44 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,000,000, assuming that the Rights Issue had been completed on 30 September 2023.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue is calculated based on the combination of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$104,869,000 (Note 1) and estimated net proceeds from the Rights Issue of approximately HK\$94,379,000 (Note 2).
- (4) The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 September 2023 was HK\$0.116 which was based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 of approximately HK\$104,869,000, divided by 903,208,712 Shares in issue as at 30 September 2023.
- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue per share as at 30 September 2023 was HK\$0.178 which was based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue of approximately HK\$199,248,000, divided by the sum of 903,208,712 Shares in issue as at 30 September 2023 and 216,769,742 Rights Shares, assuming the Rights Issue had been completed on 30 September 2023.
- (6) No adjustments have been made to the unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2023. On 1 November 2023, the Company completed the placing of 180,640,000 placing shares to not less than six independent placees at the placing price of HK\$0.14 per placing share. The net proceeds from the placing, after deducting the relating placing commission, professional fees and other related expense, amounted to approximately HK\$24,641,000. The placing of 180,640,000 placing shares, being a not adjusted subsequent event and not directly attributable to the Rights Issue, has not be included as a pro forma adjustment. The number of 216,769,742 Rights Shares assumed in the presenting unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 per share immediately after the completion of the Rights Issue is based on the actual number of shares in issue on the record date which took into the consideration of the placing of 180,640,000 shares on 1 November 2023.

- (7) On 1 November 2023, a total of 180,640,000 new shares of the Company at nominal value of HK\$0.1 each were successfully placed at the placing price of HK\$0.14 per placing share. Upon the completion of the placing, the total number of issued shares of the Company increased from 903,208,712 shares to 1,083,848,712 shares. The net proceeds from the placing, after deduction of the placing commission and other related expenses of the placing, amounted to approximately HK\$24,641,000.

For illustrative purpose, the table below shows the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue and taken into consideration of the placing on 1 November 2023 per share, which is calculated based on the unaudited adjusted consolidated net tangible assets of the Group attributable to the equity owners of the Company immediately after completion of the Rights Issue and taken into consideration of the placing on 1 November 2023 of approximately HK\$223,889,000, divided by 1,300,618,454 shares, which represents the sum of (i) 903,208,712 Shares in issue as at 30 September 2023; (ii) 180,640,000 placing shares issued as at 1 November 2023; and (iii) 216,769,742 Rights Shares to be issued for the Rights Issue.

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue <i>HK\$ '000</i>	Net proceeds from the placing on 1 November 2023 <i>HK\$ '000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue and taken into consideration of the placing on 1 November 2023 <i>HK\$ '000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2023 immediately after completion of the Rights Issue and taken into consideration of the placing on 1 November 2023 per Share <i>HK\$</i>
Based on 216,769,742 Rights Shares to be issued at the Subscription HK\$0.44 per Rights Share	199,248	24,641	223,889
<u>199,248</u>	<u>24,641</u>	<u>223,889</u>	<u>0.172</u>

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

The following is the text of the independent reporting accountant's assurance report received from HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information for the purpose in this Prospectus.



31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Elife Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Elife Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets attributable to owners of the Company as at 30 September 2023 and the related notes (the “**Unaudited Pro Forma Financial Information of the Group**”) as set out in Appendix II to the prospectus dated 22 January 2024 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages App II-1 to App II-3 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 216,769,742 rights shares (assuming no new shares are issued or repurchased on or before the record date) at HK\$0.44 per rights share (the “**Rights Shares**”) on the basis of one (1) Rights Shares for every five (5) share of the Company held on the rights issue record date (the “**Rights Issue**”) on the Group's unaudited consolidated net tangible assets attributable to owners of the Company as at 30 September 2023 as if the Rights Issue had taken place on 30 September 2023. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited consolidated financial statements for the period ended 30 September 2023, on which an interim report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

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

**Our Independence and Quality Management**

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

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

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

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

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

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2023 would have been as presented.

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

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

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

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

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

### **Opinion**

In our opinion:

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

Yours faithfully,

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*

Hong Kong, 22 January 2024

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

### (A) Share Capital

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

*(a) As at the Latest Practicable Date:*

	Number of Shares	Nominal value of Shares HK\$
Authorised:	3,000,000,000	300,000,000.00
Issued and fully paid:	1,083,848,712	108,384,871.20

*(b) Immediately after the completion of the Rights Issue (assuming no outstanding Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue):*

	Number of Shares	Nominal value of Shares HK\$
Authorised:	<u>3,000,000,000</u>	<u>300,000,000.00</u>
Issued and fully paid:	1,083,848,712	108,384,871.20
Rights Shares to be issued:	<u>216,769,742</u>	<u>21,676,974.20</u>
Shares in issue immediately after the Rights Issue:	<u><u>1,300,618,454</u></u>	<u><u>130,061,845.40</u></u>

- (c) *Immediately after the completion of the Rights Issue (assuming all outstanding Share Options being exercised on or before the Record Date and there is no other change in the shareholding structure of the Company before completion of the Rights Issue):*

	Number of Shares	Nominal value of Shares HK\$
Authorised:	3,000,000,000	300,000,000.00
Issued and fully paid:	1,111,368,712	111,136,871.20
Rights Shares to be issued:	222,273,742	22,227,374.20
Shares in issue immediately after the Rights Issue:	<u>1,333,642,454</u>	<u>133,364,245.40</u>

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully-paid form.

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save for 27,520,000 outstanding Share Options which entitle the holders to convert into 27,520,000 new Shares, the Company did not have any outstanding options, warrants or convertible securities which confer rights to subscribe for or affect the Shares. No capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

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

As at the Latest Practicable Date, the Company had no founder or management or deferred shares.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required, (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) to be notified to the Company and the Stock Exchange, pursuant to the Model Code, are set out below:

#### *The Company*

Name of Director	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of interest in the Company (Note 8)
Mr. Chiu Sui Keung	Beneficial owner (Note 2)	11,454,200 (L)	1.06%
Mr. Zhang Shaoyan	Beneficial owner (Note 3)	11,146,000 (L)	1.03%
Ms. Qin Jiali	Beneficial owner	43,060,000 (L)	3.97%
Mr. Guo Wei	Beneficial owner	33,260,000 (L)	3.07%
Mr. Zhao Zhenzhong	Beneficial owner	52,660,000 (L)	4.86%
Mr. Cheng Wing Keung, Raymond	Beneficial owner (Note 4)	988,200 (L)	0.09%
Mr. Lam Williamson	Beneficial owner (Note 5)	1,016,200 (L)	0.09%
Mr. Wong Hoi Kuen	Beneficial owner (Note 6)	1,016,200 (L)	0.09%
Dr. Lam Lee G	Beneficial owner (Note 7)	780,000 (L)	0.07%

#### Notes:

- "L" denotes long position and "S" denotes short position.
- 5,800,000 share options were granted to Mr. Chiu Sui Keung. Therefore, under Part XV of the SFO, Mr. Chiu Sui Keung is taken to be interested in the underlying shares of the Company that he is entitled to subscribe for subject to the exercise of the share options granted. Apart from the grant of share options, 5,654,200 Shares are also beneficially owned by Mr. Chiu Sui Keung.
- 5,800,000 share options were granted to Mr. Zhang Shaoyan. Therefore, under Part XV of the SFO, Mr. Zhang Shaoyan is taken to be interested in the underlying shares of the Company that he is entitled to subscribe for subject to the exercise of the share options granted. Apart from the grant of share options, 5,346,000 Shares are also beneficially owned by Mr. Zhang Shaoyan.

4. 580,000 share options were granted to Mr. Cheng Wing Keung, Raymond. Therefore, under Part XV of the SFO, Mr. Cheng Wing Keung, Raymond is taken to be interested in the underlying shares of the Company that he is entitled to subscribe for subject to the exercise of the share options granted. Apart from the grant of share options, 408,200 Shares are also beneficially owned by Mr. Cheng Wing Keung, Raymond.
5. 580,000 share options were granted to Mr. Lam Williamson. Therefore, under Part XV of the SFO, Mr. Lam Williamson is taken to be interested in the underlying shares of the Company that he is entitled to subscribe for subject to the exercise of the share options granted. Apart from the grant of share options, 436,200 Shares are also beneficially owned by Mr. Lam Williamson.
6. 580,000 share options were granted to Mr. Wong Hoi Kuen. Therefore, under Part XV of the SFO, Mr. Wong Hoi Kuen is taken to be interested in the underlying shares of the Company that he is entitled to subscribe for subject to the exercise of the share options granted. Apart from the grant of share options, 436,200 Shares are also beneficially owned by Mr. Wong Hoi Kuen.
7. 580,000 share options were granted to Dr. Lam Lee G. Therefore, under Part XV of the SFO, Dr. Lam Lee G is taken to be interested in the underlying shares of the Company that he is entitled to subscribe for subject to the exercise of the share options granted. Apart from the grant of share options, 200,000 Shares are also beneficially owned by Dr. Lam Lee G.
8. The shareholding percentage is calculated based on the number of the existing Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company and their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which were required, (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Shareholders' and other persons' interests and short positions in Shares and underlying Shares**

As at the Latest Practicable Date, so far as is known to the Directors, the persons or companies (other than the Directors and the chief executive of the Company) who/which had an interest or short position in the Shares or underlying Shares, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out below:

Name of Shareholder	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of interest in the Company (Note 2)
Ms. Liu Qiuhua	Beneficial owner	70,003,400 (L)	6.46%

Notes:

1. "L" denotes long position and "S" denotes short position.
2. The shareholding percentage is calculated based on the number of the existing Shares in issue as at the Latest Practicable Date.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and the chief executive of the Company) who/which had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has or is proposed to have any service contract with any members of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

#### **5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

As at the Latest Practicable Date, none of the Directors and their respective associates has engaged in any business that competes or may compete, directly or indirectly, with the business of the Group, or has any other conflict of interest with the Group.

#### **6. DIRECTORS' INTERESTS IN CONTRACTS, ARRANGEMENTS AND ASSETS**

As at the Latest Practicable Date, (i) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group; and (ii) none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

#### **7. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the members of the Group within the two years immediately preceding the issue of this Prospectus and are or may be material:

- (a) the placing agreement dated 17 May 2022 (as amended and supplemented by supplemental agreements dated 14 June 2022, 22 June 2022 and 28 June 2022) entered into between the Company and DL Securities (HK) Limited for the placing of up to 132,985,742 Shares on a best effort basis at the placing price of HK\$0.103 per placing share to not less than 6 places;

- (b) the placing agreement dated 12 December 2022 (as amended and supplemented by supplemental agreements dated 5 January 2023, 20 January 2023, 16 February 2023, 10 March 2023, 31 March 2023, 21 April 2023, 12 May 2023, 2 June 2023 and 23 June 2023) entered into between the Company and DL Securities (HK) Limited for the placing of up to 150,537,742 Shares on a best effort basis at the placing price of HK\$0.135 per placing share (as adjusted to HK\$0.103 on 2 June 2023) to not less than 6 places;
- (c) the amendment agreement dated 17 January 2023 entered into between Mr. Gao Feng (as second guarantor and payor) and Sino Talent Holdings Limited (a wholly-owned subsidiary of the Company) (as lender), which extended Mr. Gao Feng's payment schedule under a repayment agreement in respect of the outstanding balance of a loan in the principal amount of HK\$18 million due from Graceful Ocean International Group Holding Limited to Sino Talent Holdings Limited;
- (d) the placing agreement dated 13 October 2023 entered into between the Company and DL Securities (HK) Limited for the placing of up to 180,641,742 Shares on a best effort basis at the placing price of HK\$0.14 per placing share to not less than 6 places; and
- (e) the Underwriting Agreement.

Save as disclosed above, no material contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date.

## 8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

## 9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this Prospectus:

<b>Name</b>	<b>Qualification</b>
HLB Hodgson Impey Cheng Limited	Certified Public Accountants

As at the Latest Practicable Date, HLB Hodgson Impey Cheng Limited had given and had not withdrawn their written consent to the issue of this Prospectus, with the inclusion of the references to their name and/or their opinion or report in the form and context in which they are included.

As at the Latest Practicable Date, HLB Hodgson Impey Cheng Limited did not have any shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had, since 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

#### 10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

<b>Executive Directors</b>	Mr. Chiu Sui Keung Ms. Qin Jiali Mr. Zhang Shaoyan Mr. Zhao Zhenzhong Mr. Guo Wei
<b>Independent non-executive Directors</b>	Mr. Cheng Wing Keung Raymond Mr. Lam Williamson Mr. Wong Hoi Kuen Dr. Lam Lee G
<b>Authorised representatives</b>	Mr. Chiu Sui Keung Mr. Chow Chi Fai
<b>Company secretary</b>	Mr. Chow Chi Fai (a member of the Hong Kong Institute of Certified Public Accountants)
<b>Registered office</b>	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
<b>Principal place of business in Hong Kong</b>	Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong
<b>Branch share registrar and transfer office in Hong Kong</b>	Tricor Tengis Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

<b>Principal banker</b>	Bank of China (Hong Kong) Limited 24/F Bank of China Tower, 1 Garden Road, Central, Hong Kong
<b>Financial Adviser to the Company</b>	VS Capital Limited Room 1105, 11/F, Yardley Commercial Building, 3 Connaught Road West, Hong Kong
<b>Auditor</b>	HLB Hodgson Impey Cheng Limited 31/F., Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong
<b>Legal advisers as to Hong Kong laws</b>	Loong & Yeung Solicitors Room 1603, 16/F, China Building, 29 Queen's Road Central, Central, Hong Kong
<b>Joint Underwriters</b>	DL Securities (HK) Limited 29/F, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong  Victory Securities Company Limited Room 1101-3, 11 <sup>th</sup> Floor, Yardley Commercial Building, 3 Connaught Road West, Hong Kong

**11. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY****Executive Directors**

**Mr. CHIU Sui Keung** (“**Mr. Chiu**”), aged 56, was appointed as the chief executive officer and an executive Director on 20 April 2009. Mr. Chiu has over 26 years of experience in the financial industry and accounting field. He possesses extensive experience in corporate finance including initial public offerings, takeovers, mergers and acquisitions, fund raising and corporate advisory. Mr. Chiu graduated with a bachelor’s degree in Commerce from the University of Melbourne, Australia and has obtained a master’s degree in Applied Finance from Macquarie University in Sydney, Australia. He also obtained a Diploma in Practices in Chinese Laws and Regulations Affecting Foreign Businesses jointly organized by Southwest University of Political Science and Law, the PRC and the Hong Kong Management Association. At present, Mr. Chiu is an independent non-executive director of King Stone Energy Group Limited (stock code: 663).

**Ms. QIN Jiali** (“**Ms. Qin**”), aged 37, was appointed as an executive Director on 1 July 2023. She has extensive sales and management experience in the software and hotel industries. She has served as the sales director of Nanning Universal International Hotel (南寧環球國際大酒店), the head of the Guangzhou office of FeelEC Technology Co., Ltd. (成都菲萊克斯科技有限公司) and the vice president of Guangzhou Htrip Info Tech Inc. (廣州攜旅信息科技有限公司). Ms. Qin holds a college degree in tourism exhibition planning and management awarded by the Guangxi Guilin Tourism College (廣西桂林旅遊學院).

**Mr. ZHANG Shaoyan** (“**Mr. Zhang**”), aged 48, was appointed as the Company’s chief investment officer on 1 October 2019 and was appointed as an executive Director on 1 July 2023. He has nearly 22 years of experience in investment industry and has served as the chief listing representative of the Shenzhen Stock Exchange, the managing director of China RE Asset Management Co. Ltd. and the chairman of Beijing Hilltop Asset Management Co. Ltd. He was primarily responsible for the development of the domestic and overseas investment and financial business, and the merger and acquisition business of the Company. Mr. Zhang holds a doctorate degree in Finance from Nankai University and is a postdoctoral fellow of the Chinese Academy of Social Sciences. He is currently a director of Yiansheng International Trading (Yangzhou) Co., Ltd. (易安生國際貿易(揚州)有限公司), a subsidiary of the Company.

**Mr. ZHAO Zhenzhong** (“**Mr. Zhao**”), aged 39, has more than 15 years of experience in marketing and brand operation in the hospitality industry and IoT smart products, focusing on user-centered brand value assessment and channel construction. He has served as chief customer manager in TCL Commercial Information Technology (Huizhou) Limited Liability Company\* (TCL商用系統科技(惠州)有限公司), a Fortune Global 500 company, from 2009 to 2016, mainly responsible for channel development, channel management and channel operation. From 2016 to 2019, he joined Sichuan Zhongxuan Hi-Tech Co., Ltd.\* (四川眾軒高科科技有限責任公司) as a managing director. From 2019 to 2023, he joined Chengdu Chengzutong New Retail Technology Co., Ltd.\* (成都城住通新零售科技有限公司) as a managing director. Mr. Zhao obtained his bachelor degree in education from Beijing Normal University in 2007. He is currently pursuing his master’s degree in business administration from the Swiss Hotel Management School.

**Mr. GUO Wei** (“**Mr. Guo**”), aged 40, has more than 15 years of experience in brand promotion and channel development. He has been involved in the construction of many landmark building projects in different cities in China, and has established long-term and stable cooperation with a number of enterprises, institutions, universities and real estate companies, accumulating a wealth of resources in the government and enterprises. He has rich experience in brand promotion, channel development and management. From 2005 to 2008, he served as a marketing director of Australia Clipsal (China) Co., Ltd.\* (澳洲奇勝(中國)有限公司) (which was acquired by Schneider Electric). From 2008 to 2013, he served as a marketing director of Leviton Electronic (ShenZhen) Co., Ltd. He joined Guangzhou Suber Electric Co., Ltd.\* (廣州蘇柏電氣有限公司) and Jiangsu Mule Information Technology Co., Ltd.\* (江蘇馬騾信息科技有限責任公司) as managing director during 2014 to 2016 and 2016 to 2023, respectively. Mr. Guo obtained his bachelor degree in intelligence design in architecture\* (建築智能化專業) from Nanjing Normal University in 2007.

#### **Independent non-executive Directors**

**Mr. LAM Williamson** (“**Mr. Lam**”), aged 48, was appointed as an independent non-executive Director on 1 January 2011. Mr. Lam is a fellow member of The Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and a member of the CPA (Australia). He holds a Bachelor of Business degree from Monash University, Australia and a Master of Professional Accounting degree from the Hong Kong Polytechnic University. Mr. Lam had held directorships and senior finance positions in various listed companies in Hong Kong. Mr. Lam is currently an independent non-executive director of Lerado Financial Group Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1225) since 20 July 2018.

**Mr. CHENG Wing Keung, Raymond** (“**Mr. Cheng**”), aged 63, was appointed as an independent non-executive Director on 25 August 2007. Mr. Cheng is a solicitor practicing in Hong Kong and has over 31 years of experience in corporate, company secretarial and listing affairs. He holds a degree in Laws in the University of London and a master’s degree in Business Administration in the University of Strathclyde, Scotland. He has been appointed by the Hon Chief Justice Ma of the Court of Final Appeal as a Practising Solicitor Member of the Solicitors Disciplinary Tribunal Panel with effect from 4 October 2017. Besides, Mr. Cheng was appointed by The Government of the Hong Kong Special Administrative Region as a member of the Panel of the Board of Review (Inland Revenue Ordinance) from January 2018 up to December 2021. Mr. Cheng had acted as an independent non-executive director at one listed company in Hong Kong: Skyfame Realty (Holdings) Limited (stock code: 59) from 29 December 2004 to 17 June 2022.

**Mr. WONG Hoi Kuen** (“**Mr. Wong**”), aged 62, was appointed as an independent non-executive Director on 9 May 2011. Mr. Wong is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom. Mr. Wong is a fellow member of both the HKICPA, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Wong is currently an independent non-executive director of China Information Technology Development Limited (stock code: 8178).

**Dr. LAM Lee G** (“**Dr. Lam**”), aged 64, was appointed as an independent non-executive Director on 18 November 2015. Dr. Lam has extensive international experience in general management, strategy advisory, policy advocacy, corporate governance, direct investment, investment banking and asset management. He served as Chairman of Hong Kong Cyberport, a member of the Committee on Innovation, Technology and Re-Industrialization and the Sir Murray MacLehose Trust Fund Investment Advisory Committee, a Part-time Member of the Central Policy Unit of the Hong Kong Special Administrative Region (HKSAR) Government and a member of the Development Bureau Common Spatial Data Advisory Committee. Dr. Lam is a member of the Chief Executive’s Policy Unit Expert Group, Green Technology and Finance Development Committee and the Governance Committee of the Hong Kong Growth Portfolio, and Convenor of the Panel of Advisors on Building Management Disputes of the HKSAR Government Home Affairs Department. He is also a member of the Belt and Road and Greater Bay Area Committee of the Hong Kong Trade Development Council and Chair of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN), Vice Chairman of Pacific Basin Economic Council, and a member of the Board of Directors and Chairman of the Permanent Commission on Economic and Financial Issues of the World Union of Small and Medium Enterprises.

Dr. Lam is an executive director of USPACE Technology Group Limited (FKA: Hong Kong Aerospace Technology Group Limited, stock code: 1725), the shares of which are listed on the Stock Exchange. He is an independent non-executive director of each of CSI Properties Limited (stock code: 497), Vongroup Limited (stock code: 318), Mei Ah Entertainment Group Limited (stock code: 391), Hang Pin Living Technology Company Limited (stock code: 1682), Kidsland International Holdings Limited (stock code: 2122), Greenland Hong Kong Holdings Limited (stock code: 337), Huarong International Financial Holdings Limited (stock code: 993), RENHENG Enterprise Holdings Limited (stock code: 3628), Sinohope Technology Holdings Limited (stock code: 1611) and MOS House Group Limited (stock code: 1653); and a non-executive director of each of Sunwah Kingsway Capital Holdings Limited (stock code: 188), China HK Power Smart Energy Group Limited (FKA: China LNG Group Limited, stock code: 931), and Mingfa Group (International) Company Limited (stock code: 846), the shares of all of which are listed on the Stock Exchange. He is also an independent non-executive director of Asia-Pacific Strategic Investments Limited (SGX: 5RA), the shares of which are listed on the Singapore Exchange. Dr. Lam is an independent non-executive director of AustChina Holdings Limited (ASX: AUH), whose shares are listed on the Australian Securities Exchange and a non-executive director of Jade Road Investments Limited (LON: JADE), whose shares are listed on the AIM Market of the London Stock Exchange.

Dr. Lam was a non-executive director of National Arts Group Holdings Limited (prior to delisting on 28 August 2023, stock code: 8228) up to July 2022, Tianda Pharmaceuticals Limited (stock code: 455) up to August 2021, and Shandong Hi-Speed Holdings Group Limited (stock code: 412) up to May 2020, and he was also an independent non-executive director of AWuxi Life International Holdings Group Limited (stock code: 8148) up to March 2021 and Huarong Investment Stock Corporation Limited (prior to delisting on 12 November 2020, stock code: 2277) up to November 2020 the shares of all of which are listed on the Stock Exchange. He was an independent non-executive director of each of Haitong Securities Co., Ltd. (stock codes: 6837 and 600837: SHH) (listed on the Stock Exchange and the Shanghai Stock Exchange) up to October 2023, Thomson Medical Group Limited (SGX: A50) up to November 2023, Alset International Limited (SGX: 40V) up to November 2023, Beverly JCG Ltd. (SGX: VFP) up to April 2023 and Top Global Limited (prior to delisting on 17 August 2021, SGX: BHO) up to August 2021, the shares of all of which are/were listed on the Singapore Exchange, Sunwah International Limited (prior to delisting on 14 June 2021, TSX: SWH) (previously listed on the Toronto Stock Exchange) up to June 2021 and TMC Life Sciences Berhad (KLSE: TMCLIFE) (listed on the Bursa Malaysia) up to 31 May 2023.

### Senior Management

**Mr. CHOW Chi Fai** (“Mr. Chow”), aged 52, was appointed as the company secretary of the Company on 29 December 2008 and possesses over 25 years of experience in the accounting and finance field. Mr. Chow holds a bachelor’s degree in Accountancy from the University of South Australia and is a member of the HKICPA. Mr. Chow is currently an independent non-executive director of Wah Wo Holdings Group Limited (stock code: 9938) and Sun Hing Vision Group Holdings Limited (stock code: 125). He was an independent non-executive director of Silver Base Group Holdings Limited (in official liquidation) (prior to delisting on 4 December 2023, stock code: 886) up to 30 June 2023.

**Business address of the Directors and the senior management of the Company**

The business address of the Directors and the senior management of the Company is the same as the Company's principal place of business in Hong Kong at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong.

**12. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.capitalfp.com.hk/eng/index.jsp?co=223>) for 14 days from the date of this Prospectus:

- (a) the letter issued by the reporting accountant regarding the unaudited pro forma financial information of the Group as set out in appendix II to this Prospectus;
- (b) the material contracts, referred in the paragraph headed "7. MATERIAL CONTRACTS" in this appendix;
- (c) the written consent of the expert as referred to in the section headed "9. QUALIFICATION AND CONSENT OF EXPERT" in this appendix;
- (d) the annual reports of the Company for each of the three years ended 31 March 2021, 2022 and 2023; and
- (e) the interim report of the Company for the six months ended 30 September 2023.

**13. MISCELLANEOUS**

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The English text of this Prospectus shall prevail over the respective Chinese text in the case of inconsistency.

**14. EXPENSES**

The expenses in connection with the Rights Issue, excluding underwriting commission but including professional fees payable to financial adviser, legal advisers, financial printer and other parties involved in the Rights Issue are estimated to amount to approximately HK\$1.00 million and are payable by the Company, subject to the final subscription level.

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. Qualification and consent of expert” in this appendix have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.