
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "15. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

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 nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second 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.

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 stockbroker or 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.

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

HANVEY GROUP HOLDINGS LIMITED

恆偉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8219)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

Placing Agent to the Company



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

The Rights Issue is on a non-underwritten basis. Pursuant to the Company's constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Monday, 26 August 2024). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 31 July 2024 to Wednesday, 7 August 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 31 July 2024 to Wednesday, 7 August 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 12 August 2024. The procedure for acceptance and payment or transfer is set out on pages 18 to 19 of this Prospectus.

29 July 2024

CHARACTERISTICS OF GEM

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

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

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EXPECTED TIMETABLE

Set out below is the expected timetable for the proposed Rights Issue and the Placing which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Event	Date and time (Hong Kong time)
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Monday, 29 July 2024
First day of dealings in nil-paid Rights Shares in board lot size of 10,000 Shares	Wednesday, 31 July 2024
Latest time for splitting of the PALs.	4:30 p.m. on Friday, 2 August 2024
Last day of dealing in nil-paid Rights Shares in board lot size of 10,000 Shares	Wednesday, 7 August 2024
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Monday, 12 August 2024
Latest time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 12 August 2024
Announcement of the number of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 14 August 2024
Commencement of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent	Thursday, 15 August 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Friday, 16 August 2024

EXPECTED TIMETABLE

Event	Date and time (Hong Kong time)
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent	4:00 p.m. on Friday, 23 August 2024
Latest time for termination of the Placing Agreement	4:00 p.m. on Monday, 26 August 2024
Announcement of the results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Friday, 30 August 2024
Despatch of share certificates for fully-paid Rights Shares	Monday, 2 September 2024
Despatch of refund cheques, if any, if the Rights Issue is terminated, on or before	Monday, 2 September 2024
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 3 September 2024
Payment of Net Gain to relevant No Action Shareholders (if any)	Tuesday, 17 September 2024

All times and dates in this prospectus refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

EXPECTED TIMETABLE

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

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

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 12 August 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 12 August 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Monday, 12 August 2024, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“2023 Annual Report”	the annual report of the Company for the year ended 31 December 2023 published on 24 April 2024
“AFRC”	the Accounting and Financial Reporting Council
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Hanvey Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8219)

DEFINITIONS

“Compensatory Arrangements”	the compensatory arrangements made pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements” in this Prospectus
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form
“Excluded Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	27 June 2024, being the last trading day of the Shares on the Stock Exchange prior to the publication of the announcement of the Company dated 27 June 2024 in relation to, among others, the Rights Issue and the Placing
“Latest Practicable Date”	19 July 2024, being the latest practicable date before the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 12 August 2024 or such later time or date as may be determined by the Company, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 26 August 2024 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Net Gain”	the premium (if any) paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and ES Unsold Rights Shares placed by the Placing Agent
“No Action Shareholder(s)”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“Placee(s)”	institutional, corporate or individual investor(s) procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“Placing Agreement”	the placing agreement dated 27 June 2024 (as supplemented by the Supplemental Placing Agreement) entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares, which is expected to be Thursday, 15 August 2024, and ending at 4:00 p.m. on Friday, 23 August 2024
“PRC”	the People’s Republic of China, and for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus issued by the Company containing details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Monday, 29 July 2024, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 11.23(7) of the GEM Listing Rules

DEFINITIONS

“Qualifying Shareholder(s)”	Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Thursday, 18 July 2024, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	The proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 82,500,000 new Shares to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Supplemental Placing Agreement”	the supplemental placing agreement dated 18 July 2024 entered into between the Company and the Placing Agent in relation to the Placing Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Unsubscribed Rights Share(s)” the Rights Shares that are not subscribed by the Qualifying Shareholders

“%” per cent

LETTER FROM THE BOARD

HANVEY GROUP HOLDINGS LIMITED
恆偉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8219)

Executive Directors:

Mr. Cheuk Sin Cheong Clement
(Chairman and Chief Executive Officer)
Ms. Au Corona Ching Mei M.H.

Independent non-executive Directors:

Mr. Yu Sau Ning Homer M.H.
Ms. Yee Wai Fong Wendy
Mr. Yip Yat Lam

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111 Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Units 3, 5 and 6, 15th Floor
Tower One, Ever Gain Plaza
No.88 Container Port Road
Kwai Chung, New Territories
Hong Kong

29 July 2024

*To the Qualifying Shareholders and,
for information only, the Excluded Shareholders (if any)*

Dear Sir or Madam,

RIGHTS ISSUE
ON THE BASIS OF ONE (1) RIGHTS SHARE FOR
EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

INTRODUCTION

References are made to the announcements of the Company dated 27 June 2024 and 15 July 2024 in relation to, among others, the Rights Issue and the Placing.

The Company proposes to raise gross proceeds of up to approximately HK\$8.25 million (assuming full subscription under the Rights Issue) by way of issuing up to 82,500,000 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

LETTER FROM THE BOARD

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

RIGHTS ISSUE

Rights Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Maximum number of Rights Shares to be issued	:	82,500,000 Rights Shares
Subscription Price	:	HK\$0.10 per Rights Share
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.091 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK\$8.25 million
Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK\$7.47 million
Number of Shares in issue as at the Latest Practicable Date	:	165,000,000 Shares
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	247,500,000 Shares will be allotted and issued on or before completion of the Rights Issue
Aggregate nominal value of the Rights Shares	:	HK\$8.25 million

The 82,500,000 Rights Shares to be issued and allotted pursuant to the Rights Issue represent (i) 50% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.3% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible securities or other similar rights which are convertible or exchangeable into the Shares.

The Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 45.9% to the closing price of HK\$0.185 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 59.3% to the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 59.3% to the average closing price of HK\$0.246 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 59.3% to the average closing price of HK\$0.246 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 49.2% to the theoretical ex-rights price of approximately HK\$0.197 per Share based on the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 19.8% of the theoretical diluted price of approximately HK\$0.197 per Share to the benchmarked price of HK\$0.246 per Share (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of the closing price of HK\$0.246 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK\$0.246 per Share); and
- (vii) a discount of approximately 11.5% to the net asset value attributable to owners of the Company of approximately HK\$0.113 per Share based on the latest published audited net asset value attributable to owners of the Company of approximately HK\$18.7 million as at 31 December 2023 as set out in the 2023 Annual Report and the total number of issued Shares of 165,000,000 Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.091.

During the 12 month period immediately preceding the Latest Practicable Date, the Company has not undertaken any rights issue, open offer or specific mandate placing. The theoretical diluted price, the benchmarked price and theoretical dilution effect (as those terms are defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are approximately HK\$0.197 per Share, HK\$0.246 per Share and 19.78%, respectively. The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

The Subscription Price was determined by the Board with reference to, among others, (i) the market price of the Shares under the prevailing market conditions in Hong Kong; (ii) the financial position of the Group; (iii) the reasons for and benefits of the Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and the use of proceeds” in this Prospectus.

In particular, the Board considered (i) the prevailing market price and recent trading performance of the Shares which includes the daily closing price and daily trading volume of the Shares during the six months prior to the Last Trading Day, where the closing price of the Shares demonstrated an overall downward trend from HK\$0.340 per Share on 27 December 2023 to HK\$0.246 per Share on 27 June 2024 (being the Last Trading Day) with an average daily trading volume amounting to 0.88% of the total issued share capital of the Company during the six months prior to and including the Last Trading Day, which indicated a lack of liquidity and demand for the Shares; (ii) the latest business performance and financial position of the Group. For the year ended 31 December 2023 and 31 December 2022, the Company recorded total comprehensive loss attributable to the Shareholders of approximately HK\$19.8 million and approximately HK\$10.6 million, respectively; and (iii) the Directors’ view that it is reasonable to set the Subscription Price at a discount to the closing price per Share on the Last Trading Day and the consolidated net asset value per Share attributable to the Shareholders as described above in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate, given the challenging market conditions, unfavourable price trend and lack of liquidity of the Shares.

The Board also considered that, despite the relatively large discount to the recent market price of the Shares, the Subscription Price only represents a discount of approximately 11.5% to the net asset value attributable to owners of the Company of approximately HK\$0.113 per Share (based on the latest published audited net asset value attributable to owners of the Company of approximately HK\$18.7 million as at 31 December 2023 as set out in the 2023 Annual Report and the total number of issued Shares of 165,000,000 Shares as at the Latest Practicable Date).

Taking the above into account, the Board is of the view that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests

LETTER FROM THE BOARD

of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Excluded Shareholders. The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

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 may be diluted.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any unsold entitlement of the Excluded Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, on a best effort basis, be placed by the Placing Agent under the Compensatory Arrangements to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue, at the price at least equal to the Subscription Price.

Rights of the Overseas Shareholder(s) (if any)

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

LETTER FROM THE BOARD

Based on the register of members of the Company as at the Record Date, there is one Overseas Shareholder with registered address located in the PRC, who is interested in 2,000,000 Shares, representing approximately 1.21% of the Company's issued share capital as at the Record Date. Other than the one Overseas Shareholder with registered address located in the PRC, there are no other Overseas Shareholders based on the register of members of the Company as at the Record Date.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company has made necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders in the PRC. Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses located in the PRC from the Rights Issue. Therefore, such Overseas Shareholder is not an Excluded Shareholder and the Rights Issue will be extended to such Overseas Shareholder. As such, there was no Excluded Shareholder on the Record Date.

It is the responsibility of each Overseas Shareholder who wishes to take part in the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territories and jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary formalities or legal requirements.

Irrevocable undertakings

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholder of any intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue.

Non-underwritten basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There is no statutory requirement regarding the minimum subscription level in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, the Shareholder(s) who apply to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or may result in the non-compliance by the Company of the Public Float Requirement under Rule 11.23(7) of the

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GEM Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Excluded Shareholders, if any, for information purpose only, by no later than the Prospectus Posting Date; and
- (iv) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions precedent by the Latest Time for Termination or such other date as the Company and the Placing Agent may agree. As at the Latest Practicable Date, all the above conditions remain unfulfilled.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of the conditions of the Rights Issue set forth above. In the event that the Rights Issue is not fully subscribed and provided the Placing Agreement has not been terminated in accordance with the provisions thereof, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the ES Unsold Rights Shares will be placed to independent Placees on a best effort basis under the Compensatory Arrangements. In the event of any Unsubscribed Rights Shares or ES Unsold Rights Shares which are not placed under the Compensatory Arrangements, the Rights Issue will continue

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to proceed but such Unsubscribed Rights Shares or ES Unsold Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Meanwhile, in the event that the Rights Issue is not fully subscribed and the Placing Agreement is terminated for whatever reasons, the Rights Issue will not proceed.

For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares or ES Unsold Rights Shares could eventually be successfully placed by the Placing Agent.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) 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 Placing Agreement and the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for. There will be no excess application arrangements in relation to the Rights Issue.

Status of the Rights Issue

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

Application for the Rights Shares

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

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on

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Monday, 12 August 2024. 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 "**HANVEY GROUP HOLDINGS LIMITED – RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Monday, 12 August 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 2 August 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 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.

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

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If the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” above are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 2 September 2024.

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

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Monday, 2 September 2024, to those entitled thereto by ordinary post, at their own risk, to their registered addresses, each Shareholder will receive one share certificate for all allotted shares.

Refund cheques in respect of applications for Rights Shares if the Rights Issue is terminated are expected to be posted on or before Monday, 2 September 2024 by ordinary post, at the respective Shareholders’ own risk, to their registered addresses.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd lots matching services

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Rights Issue, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share during the period from 9:00 a.m. on Monday, 29 July 2024 to 4:00 p.m. on Friday, 16 August 2024 (both days inclusive). The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Ms. Angie Yeung of the Placing Agent at (852) 3665-8160 or by facsimile at (852) 2559-2880 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

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Application for listing of the Rights Shares

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges. Dealings in the nil-paid and fully-paid Rights Shares will be in board lot size of 10,000 Shares.

Stamp duty and other applicable fees

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

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

Rights Shares will be eligible for admission into CCASS

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering these Shares to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

Accordingly, on 27 June 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent Placees on a best effort basis. As a result of the revisions to the expected timetable as set out in the announcement of the Company dated 15 July 2024, the Company and the Placing Agent entered into the Supplemental Placing Agreement on 18 July 2024, to reflect the changes of the relevant dates of the Rights Issue as referred to in the Placing Agreement.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to independent Placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 23 August 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Excluded Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Excluded Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Excluded Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

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Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

Principal terms of the Placing Agreement (as supplemented by the Supplemental Placing Agreement) are summarised as below.

On 27 June 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to, on a best effort basis, procure Placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies), to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares.

Details of the Placing Agreement are as follows:

Date : 27 June 2024 (after trading hours)

Issuer : the Company

Placing Agent : Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.

Placing Price : The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the placement process.

Placing Period : The period from Thursday, 15 August 2024 up to 4:00 p.m. on Friday, 23 August 2024, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.

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- Placing Commission : The Company shall pay the Placing Agent a placing commission equivalent to (i) a fixed fee of HK\$100,000; or (ii) 3.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and ES Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher.
- Placees : The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares : The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
- Conditions Precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares;
 - (ii) the Placing Agreement not having been terminated in accordance with the provisions thereof; and
 - (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect.

The Placing Agent may in its absolute discretion waive the fulfillment of all or any part of the conditions by notice in writing to the Company, except paragraph (i) above which is not capable of being waived.

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The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by Monday, 30 September 2024 (or such other date as may be agreed by the Placing Agent and the Company in writing). If any of the conditions precedent to the Placing Agreement have not been fulfilled by Monday, 30 September 2024 or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

As at the Latest Practicable Date, all the above conditions remained unfulfilled.

Termination : The Placing Period shall end at 4:00 p.m. on Friday, 23 August 2024 or any other date by mutual agreement between the Placing Agent and the Company.

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The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on Monday, 26 August 2024 (or any other date by mutual agreement between the Placing Agent and the Company) upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, to be material in the context of the Placing or has or may have a material adverse effect on the business or financial conditions or prospects of the Group or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and ES Unsold Rights Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing;
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole;
- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement;

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- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the Placing, excluding any suspension in connection with the clearance of the Prospectus Documents or other announcements and circulars of the Company in connection with the Rights Issue; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If notice of termination is given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. In assessing the placing commission payable to the Placing Agent, the Board has taken into consideration (i) the overall market sentiment for subscription of rights shares of a company listed on GEM of the Stock Exchange; and (ii) the prevailing placing commission chargeable by placing agent for rights issues conducted by listed companies on the Stock Exchange within the six months prior to the Latest Practicable Date. Based on publicly available information, the Board noted that the placing commission rate of 3.5% chargeable by the Placing Agent generally falls within the range of placing commission, which ranges between 0.5% and 5%, chargeable by placing agent for placing under rights issues conducted by listed companies on the Stock Exchange within the six months prior to the Latest Practicable Date. Besides, the Board considered that the fixed fee in the amount of HK\$100,000 charged by the Placing Agent under the Placing Agreement is fair and reasonable given that irrespective of the results of the Rights Issue and the number of Unsubscribed Rights Shares and ES Unsold Rights Shares successfully placed by the Placing Agent, the Placing Agent would have already incurred time and resources in conducting negotiation, client acceptance procedures and preparing relevant documentations in relation to the Placing. Further, based on negotiation of the Placing Agent, the Company was given to understand that the Placing Agent was willing to accept the current placing commission rate of 3.5% in light of the relatively small size of the Rights Issue, despite the fact that the Company is a GEM issuer and the prevailing investors' sentiments are relatively weak. The Board considers the terms of the Placing for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable)

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are on normal commercial terms and are fair and reasonable. The Company's representative previously approached some other securities firms to gauge their interest in acting as placing agent for the Rights Issue but none responded favourably. During the negotiation with the Placing Agent, the Company has used its best efforts to secure the best possible terms from the Placing Agent in respect of the Rights Issue.

As explained above, the Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed by the Placing Agent to independent Placees on a best effort basis for the benefits of the No Action Shareholders and Excluded Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Excluded Shareholders.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

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

The Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing basis for watch manufacturers, brand owners and watch importers across the globe.

As disclosed in the 2023 Annual Report, as at 31 December 2023, the Group had outstanding borrowings with an aggregate amount of approximately HK\$118.3 million payable to Independent Third Parties. These outstanding borrowings carry a weighted average interest rate of 8.22%. Of this total, approximately HK\$64.7 million would fall due on or before 31 December 2024. The Group currently plans to utilise approximately HK\$5.98 million, representing approximately 80% of the net proceeds from the Rights Issue to the repayment of part of these outstanding borrowings, in order to alleviate the Group's gearing ratio and interest expense burden, as well as strengthen the Group's liquidity and cashflow position.

The Directors are of the view that the Group has genuine need for raising additional funds for reducing its indebtedness level, after taking into account the following factors:

- The cash and bank balances and fixed bank deposits of the Group were approximately HK\$13.8 million and HK\$57.9 million, respectively, as at 31 December 2023. Of these amount, approximately HK\$66.0 million were pledged to secure the banking facilities of the Group, as disclosed in the 2023 Annual Report. The pledged bank deposits would only be released upon settlement of relevant bank borrowings. Therefore, in reality, only a relatively limited portion of the cash and deposits held by the Group could be freely and readily available for use in supporting its daily operations and/or expansions.

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- The Group recorded net cash used in operating activities of approximately HK\$7.0 million for the year ended 31 December 2023, while it recorded net cash generated from operating activities of approximately HK\$18.3 million for the year ended 31 December 2022.
- The interest expenses on the Group's borrowing rose from approximately HK\$6.6 million as at 31 December 2022 to approximately HK\$9.0 million as at the 31 December 2023. While recently there have been market speculations that the interest rate in the Unites States and Hong Kong might fall going forward, thus far the interest rate in Hong Kong has staggered at a relatively high range. Even if the interest rate did eventually decrease, the extent of such decrease would remain uncertain, and if the inflation pressure worldwide remains stagnant or rebounds, there is no assurance that the central banks would not keep the interest rates at the current level for a persistently long period, or even worse, drive them up to further higher levels to tighten the credit environment.

Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK\$0.78 million) is expected to be approximately HK\$7.47 million. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

- (a) approximately HK\$5.98 million (being approximately 80% of the net proceeds) is intended to be used for repayment of borrowings of the Group as discussed herein above; and
- (b) approximately HK\$1.49 million (being approximately 20% of the net proceeds) is intended to be used for general working capital of the Group, including but not limited to salary expenses, overheads costs and other corporate expenses.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

As outlined above, the Company intends to allocate approximately HK\$5.98 million (being approximately 80% of the net proceeds and assuming full subscription under the Rights Issue) to repayment of borrowings of the Group. The Group's short-term borrowings were approximately HK\$64.7 million (as at 31 December 2023 as disclosed in the 2023 Annual Report), which would fall due on or before 31 December 2024. Of this total, approximately HK\$5.37 million will become due and is expected to be repaid by December 2024, while the remaining borrowings primarily comprise (i) revolving loans, which can be rolled over upon maturity as long as the Company continued repaying the interests due; and (ii) term loans, which could be renewed upon negotiations with the banks when they approach maturity, as the Group successfully did so in the past. Given the Group's record in making timely repayment of interests and its ongoing relationships with the relevant banks, the Company does not foresee

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any material difficulties in negotiating for renewal of the aforementioned term loans which fall due on or before 31 December 2024.

The allocated net proceeds of HK\$5.98 million (being approximately 80% of the net proceeds and assuming full subscription under the Rights Issue) will be sufficient to cover the Group's repayment of its short-term borrowings of approximately HK\$5.37 million that the Group had no plan for renewal. Therefore, with the net proceeds from the Rights Issue, the Company would be well positioned to meet its imminent financial obligation. The remaining HK\$0.61 million will be utilised for repayments on part of the Group's monthly term loans, thereby slightly reducing the Group's overall debt burden. Given the revolving nature of some of the Group's borrowings and the ability and past success in renewing its term loans, the Board is of the opinion that the Group does not face an immediate financial shortfall and the fundraising needs of the Company would be satisfied upon the completion of the Rights Issue.

As at the Latest Practicable Date, the Company has no intention and/or plan to conduct any other corporate actions or further fundraising activities in the next twelve months after the completion of the Rights Issue.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of 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 opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

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Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, based on publicly available market information, the Board understands that where the Unsubscribed Rights Shares and ES Unsold Rights Shares are to be fully-underwritten, the underwriting commission chargeable by underwriters is generally much higher than the commission chargeable for placing on a best-effort basis. Having considered that the maximum net proceeds of approximately HK\$7.47 million to be raised from the Rights Issue is sufficient to meet the Company's immediate repayment requirement of approximately HK\$5.37 million due in December 2024 with the remaining short-term borrowing capable of being extended or renewed, the Board believes that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis to improve the cost effectiveness of the Rights Issue. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing (“ODM”) basis for watch manufacturers, brand owners and watch importers across the globe. The Group derives revenue mainly from the sale of: (i) finished watches, (ii) semi-knocked-down kits, and (iii) watch parts.

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The Directors believe that the followings are the key risks and uncertainties involved in the operations of the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risks relating to the industry

The Group operates in a highly competitive environment. Watch manufacturing in the PRC is highly competitive and fragmented with over 1,000 players. The pricing of and demand for watches of the Group are significantly affected by the intensity of competition. The Group's competitors may have substantially greater financial and technological resources, design and manufacturing capacities and stronger customer and supplier relationships than the Group does. As a result, the Group cannot ensure that it may be able to compete effectively with these competitors and the competitive pressures could adversely affect its business and financial condition and results of operations.

LETTER FROM THE BOARD

Further, the Group is subject to compliance with various laws and regulations relating to the production and sales of watches in the jurisdictions in which it operates. Failure to comply with these laws and regulations may result in imposition of conditions on or the suspension of sale or seizure of the Group's products, or significant penalties or claims. In the event that the countries in which the Group operates increase the stringency of such laws and regulations, the Group's operating costs may increase and it may not be able to pass these additional costs onto its customers. In addition, in the event that any jurisdiction in which the Group operates or plans to operate impose any new laws, regulations, restrictions or other barriers to entry, the Group's ability to expand may be limited and the growth and development of the Group may be adversely affected.

Financial risks

Certain financial risks pertaining to the Group's businesses are also identified by the Directors, including but not limited to, interest rate risk, currency risk, credit risk, and liquidity risk. The Group's management manages and monitors these risk exposures to ensure appropriate measures are implemented on a timely and effective manner.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by existing

LETTER FROM THE BOARD

Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by Qualifying Shareholders and all the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by existing Shareholders		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by Placing Agent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Million Easy Enterprises Ltd. ("Million Easy") ^(Note 1)	93,000,000	56.36	139,500,000	56.36	93,000,000	37.58
Public Shareholders						
– Independent Placees ^(Note 2)	–	–	–	–	82,500,000	33.33
– Other public Shareholders	72,000,000	43.64	108,000,000	43.64	72,000,000	29.09
	<u>165,000,000</u>	<u>100.00</u>	<u>247,500,000</u>	<u>100.00</u>	<u>247,500,000</u>	<u>100.00</u>

Notes:

1. Million Easy is legally and beneficially owned by Mr. Cheuk Sin Cheong, Clement and Ms. Au Corona Ching Mei M.H. in equal shares. Under the SFO, both Mr. Cheuk Sin Cheong, Clement and Ms. Au Corona Ching Mei M.H. are deemed to be interested in all the Shares held by Million Easy.
2. As it is not expected that any of the individual Placees will become a substantial Shareholder immediately after completion of the Placing, the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent will form part of the public float of the Company.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% within the 12-month period prior to the Latest Practicable Date, and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to the Shareholders' approval pursuant to Rule 10.29 of the GEM Listing Rules.

LETTER FROM THE BOARD

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period prior to 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 within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

As at Latest Practicable Date, save for the Rights Issue, the Placing, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company's shares in the next 12 months.

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

The Shares have been dealt in on an ex-rights basis from Wednesday, 10 July 2024. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 31 July 2024 to Wednesday, 7 August 2024 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed "Conditions of the Rights Issue" in this Prospectus above.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealings in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

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

By order of the Board
HANVEY GROUP HOLDINGS LIMITED
Cheuk Sin Cheong Clement
Chairman, Chief Executive Officer and Executive Director

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (www.hanveygroup.com.hk), respectively:

- (i) the audited consolidated financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 2 May 2022, from pages 51 to 119 (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0502/2022050200021.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 30 March 2023, from pages 59 to 133 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000575.pdf>); and
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2023 is disclosed in the 2023 Annual Report, from pages 62 to 131 (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0424/2024042400642.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

- (a) Borrowings: The Group had (i) bank overdraft of approximately HK\$6,393,000 and (ii) aggregate outstanding bank borrowings of approximately HK\$103,807,000 which were secured by the Group's certain property, plant and equipment, investment properties, key management personnel life insurance policies bank deposits, a personal guarantees provided by Mr. Cheuk Sin Cheong, Clement and Ms. Au Corona Ching Mei M.H. and a corporate guarantee provided by the Company.
- (b) Lease liabilities: The Group had lease liabilities of approximately HK\$559,000 in respect of finance leases for certain motor vehicles, office equipment and leasehold building in respect of an operating lease under HKFRS 16 Lease. The Group's lease liabilities are secured by the lessor's charge over the motor vehicle.
- (c) Loan from a related company: The Group had outstanding loan from a related company of approximately HK\$18,567,000. The loan is unsecured and non-interest bearing.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 31 May 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 May 2024 up to the Latest Practicable Date.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this Prospectus.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing (“ODM”) basis for watch manufacturers, brand owners and watch importers across the globe. The Group derives revenue mainly from the sale of: (i) finished watches, (ii) semi-knocked-down kits, and (iii) watch parts.

Given the current global economic landscape, the business environment in overseas markets remain uncertain. The risk of an economic slowdown or recession in key markets is a significant challenge, posing potential risks to the Group’s export performance in the near future.

The equity market is likely to remain volatile because of the US Federal Reserve has been continuing to raise interest rates, and the cost of capital has risen, which has caused unprecedented difficulties in business operations. Taking into consideration the challenges faced by the Group, the Group will closely observe the market.

For overseas markets, economic growth in Europe and the United States is projected to slow down due to the negative market outlook under high inflation. However, in the Southeast Asian market. However, in the Southeast Asian market, which is a key focus for the Group, there is still substantial market demand for both automatic mechanical and quartz watches. The Group will closely observe the market trend and provide designs that cater to customer and market needs.

The Group intends to continue to focus on the core business, take efforts in strengthening its product design and developing capability to maximise the long term returns of the Shareholders.

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared by the directors of the Company in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2023.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited net tangible assets of the Group attributable to owners of the Company as at 31 December 2023, as extracted from the published annual report of the Company for the year ended 31 December 2023 and is adjusted for the effect of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue or at any future dates.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 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 adjusted for the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as adjusted for the Rights Issue per Share
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rights Issue of 82,500,000				
Rights Shares to be issued at Subscription Price of HK\$0.10 per Rights Share	18,681	7,470	26,151	0.106

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 is extracted from the annual report of the Company for the year ended 31 December 2023, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2023 of approximately HK\$18,681,000.
2. The estimated net proceeds from the Rights Issue of approximately HK\$7,470,000 is calculated based on 82,500,000 Rights Shares on the basis of one Rights Share for every two Shares held at the Subscription Price of HK\$0.10 per Rights Share, after deduction of the estimated related expenses of approximately HK\$780,000.
3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the completion of the Rights Issue is calculated based on 247,500,000 Shares which represent the 165,000,000 Shares in issue as at 31 December 2023, adjusted for 82,500,000 Rights Shares assumed to be issued on the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2023.
4. No other adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report received from Confucius International CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company, in respect of the Group’s unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.



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Independent Reporting Accountants’ assurance report on the compilation of unaudited financial information

The Board of Directors of
Hanvey Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Hanvey Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2023 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 29 July 2024 (the “**Prospectus**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of one rights share for every two existing shares at the subscription price of HK\$0.10 per rights share (the “**Rights Issue**”) on the Group’s consolidated net tangible assets attributable to owners of the Company as at 31 December 2023 as if the Rights Issue had taken place on 31 December 2023. As part of this process, information about the Group’s net tangible assets attributable owners of the Company at 31 December 2023 has been extracted by the directors from the Group’s audited consolidated statement of financial position as at 31 December 2023, included in the annual report of the Group for the year ended 31 December 2023 on which the auditor’s report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM 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 requirement 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 Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 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 of the Company 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 accountant's judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Confucius International CPA Limited

Certified Public Accountants

Wong Kam Hing

Practising Certificate Number: P05697

Hong Kong, 29 July 2024

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

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

(a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.1 each	<u>100,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>165,000,000</u>	Shares of HK\$0.1 each	<u>16,500,000</u>

(b) Immediately upon completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholder)

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.1 each	<u>100,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>165,000,000</u>	Shares of HK\$0.1 each	<u>16,500,000</u>
<u>82,500,000</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>8,250,000</u>
<u>247,500,000</u>	Shares in issue immediately upon completion of the Rights Issue	<u>24,750,000</u>

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

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

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into Shares. The Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and 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.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive's interests in the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives 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 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 have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of Shares directly and beneficially held	Approximate percentage of the issued share capital
Mr. Cheuk Sin Cheong, Clement ("Mr. Cheuk") <i>(Note)</i>	Interest in controlled corporation	93,000,000	56.36%
Ms. Au Corona Ching Mei M.H. ("Mrs. Cheuk") <i>(Note)</i>	Interest in controlled corporation	93,000,000	56.36%

Note: 93,000,000 Shares are registered in the name of Million Easy Enterprises Ltd. ("Million Easy"), the entire issued share capital of which are legally and beneficially owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Under the SFO, both Mr. Cheuk and Mrs. Cheuk are deemed to be interest in all the shares of the Company held by Million Easy.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of interest	Number of Shares directly and beneficially held	Approximate percentage of the issued share capital
Million Easy	Beneficial owner	93,000,000	56.36%

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS IN CONTRACT(S) AND ASSET(S)

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had 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 since 31 December 2023, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

5. DIRECTORS' SERVICE CONTRACT(S)

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

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

7. LITIGATION

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

8. MATERIAL CONTRACT(S)

Save for the Placing Agreement and the Supplemental Placing Agreement, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus (the “**Expert**”):

Name	Qualification
Confucius International CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the Expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, the Expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$0.78 million, which are payable by the Company.

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

Mr. Cheuk Sin Cheong Clement
(*Chairman and Chief Executive Officer*)
Ms. Au Corona Ching Mei M.H.

Independent non-Executive Directors:

Mr. Yu Sau Ning Homer M.H.
Ms. Yee Wai Fong Wendy
Mr. Yip Yat Lam

Audit committee

Mr. Yu Sau Ning Homer M.H. (*Chairman*)
Ms. Yee Wai Fong Wendy
Mr. Yip Yat Lam

Nomination committee

Mr. Cheuk Sin Cheong Clement (*Chairman*)
Mr. Yu Sau Ning Homer M.H.
Ms. Yee Wai Fong Wendy

Remuneration committee

Mr. Yu Sau Ning Homer M.H. (*Chairman*)
Ms. Au Corona Ching Mei M.H.
Mr. Yip Yat Lam

Registered office

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

**Head office and principal place
of business in Hong Kong**

Units 3, 5 and 6, 15th Floor
Tower One, Ever Gain Plaza
No.88 Container Port Road
Kwai Chung, New Territories
Hong Kong

Authorised representatives

Ms. Au Corona Ching Mei M.H.
Ms. Pang Yuk Fong

Business address of all Directors, senior management and authorised representatives of the Company	Units 3, 5 and 6, 15th Floor Tower One, Ever Gain Plaza No.88 Container Port Road Kwai Chung, New Territories Hong Kong
Company secretary	Ms. Pang Yuk Fong
Principal share registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1-1111, Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong Hang Seng Bank 83 Des Voeux Road Central Hong Kong
Auditor	Confucius International CPA Limited <i>Certified Public Accountants</i> Rooms 1501-8, 15/F Tai Yau Building 181 Johnston Road Wanchai Hong Kong
Legal adviser to the Company as to Hong Kong laws	David Fong & Co. Unit A, 12th Floor China Overseas Building 139 Hennessy Road Wanchai Hong Kong
Placing Agent	Astrum Capital Management Limited Room 2704 Tower 1, Admiralty Centre 18 Harcourt Road Admiralty, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Cheuk Sin Cheong Clement (卓善章) (“**Mr. Cheuk**”), aged 65, is an executive Director and the chairman of the Board, the chief executive officer and a controlling shareholder of the Company, the founder of the Group, and a director of each of the operating subsidiaries of the Group. He is primarily responsible for formulating the Group’s overall strategy planning, overseeing sales and marketing, product development, and overall management of the Group’s business.

Mr. Cheuk has more than 35 years of experience in the watch industry, particularly in product design development, sales and marketing. He was the vice chairman of the 17th session of and the chairman of the 18th session of The Federation of Hong Kong Watch Trades & Industries Limited and an advisor of The Federation of Hong Kong Watch Trades & Industries Limited since 2000. He was also a member of Watches and Clocks Advisory Committee of the Hong Kong Trade Development Council from 1996 to 2007.

Mr. Cheuk obtained a Master’s Degree of Business Administration (executive) from the City University of Hong Kong in November 2001. He was admitted as an honorary fellow of the Professional Validation Centre of Hong Kong Business Sector in June 2015. He was also awarded the Young Industrialist Awards for the year 1998/1999 by the Hong Kong Young Industrialists Council and an awardee member of the Hong Kong Young Industrialists Council in November 1998. Mr. Cheuk was also a director of the 32nd board of directors of Yan Oi Tong.

Mr. Cheuk is the spouse of Ms. Au Corona Ching Mei M.H. and brother-in-law of Ms. Au Hung Wai Didy.

Ms. Au Corona Ching Mei M.H. (歐靜美) (“**Mrs. Cheuk**”), aged 63, is an executive Director, a controlling shareholder of the Company and a director of each of the operating subsidiaries of the Group. She is primarily responsible for overseeing the Group’s administrative, human resources and financial management, and assisting in the management of the Group’s business.

Mrs. Cheuk has more than 34 years of experience in the watch industry. Prior to joining the Group, she worked in the Finance Department in China Resources Textiles Company Limited from July 1978 to January 1985 and worked as a deputy financial manager in China Resources Silk Co., Ltd from January 1985 to November 1987. She obtained a Diploma of Graduate Gemologist from the Gemological Institute of America in March 2003.

Mrs. Cheuk was awarded the China's Hundred Outstanding Women Entrepreneurs* (中國百名傑出女企業家) by the China Association of Woman Entrepreneurs* (中國女企業家協會) in October 2006 and was awarded the Medal of Honour (MH) by the Government of the HKSAR in July 2010. She was a director, the vice chairlady and the chairlady of Yan Oi Tong from 2004 to 2006, 2006 to 2009 and 2009 to 2010 respectively. She was a committee member of the tenth Hubei Municipal Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議湖北省第十屆委員會委員). She is currently a permanent honorary committee member of The Chinese General Chamber of Commerce, Hong Kong and a director of Po Leung Kuk.

Mrs. Cheuk is the spouse of Mr. Cheuk Sin Cheong Clement and sister of Ms. Au Hung Wai Didy.

Independent Non-executive Directors

Mr. Yu Sau Ning Homer M.H. (余壽寧) (“Mr. Yu”), aged 71, is an independent non-executive Director and responsible for supervising and providing independent judgment to the Board and the audit committee, remuneration committee and nomination committee of the Company.

Mr. Yu has 45 years of experience in the wholesale and retail markets of wine and spirit, skincare and household products. He has been the chief executive officer of Cheong Hing Store Ltd., Cheong Hing (1917) Limited, Youthful Technology International Ltd. and Youthful Wonder Limited since 1981, 1981, 1989 and 2014 respectively. In June 2016, he founded and became the director of One Belt One Road Eurasia Centre (HK) Limited.

Mr. Yu was awarded the Chevalier de l'ordre national du Merite by the Government of France in June 1996 and was awarded the medal of honour by the Government of the HKSAR in 1999. He was appointed as a member of the eleventh and twelfth National People's Congress HKSAR Representative Elective Committee and was appointed as a committee member of the first Chinese People's Political Consultative Conference of Huangpu, Guangzhou in August 2015. He was also appointed as a member by the Consumer Council for the period between 2003 and 2008. In December 2008, he received the honorary decoration award from the Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce. He is a vice chairman of the Customer Consultative Group of CLP Power Hong Kong Limited since October 2023. He is also a member of the Customer Consultative Group of CLP Power Hong Kong Limited since 2010. He was an elected member of the retailer category of Quality Tourism Services Association Governing Council (QTSA) from December 2003 to December 2017, and an appointed member of the QTSA from December 2017 to December 2023, and the chairman of the Better Business Environment Committee of QTSA from December 2003 to December 2023. He has been the chairman of the seventh Professional's Committee of Kowloon Federation of Association since June 2015. He has been an honorary life president of the Cosmetic & Perfumery Association of Hong Kong Ltd. since 1996.

Mr. Yu obtained a Degree of Master of Science from the National University of Ireland in April 2003 and a Diploma in Strategy and Innovation from the University of Oxford in June 2022. He was admitted as honorary senior fellow by the Professional Validation Centre of Hong Kong Business Sector (PVCBS) in November 2005, and was the president of the 6th session of the executive committee of PVCBS.

Ms. YEE Wai Fong Wendy (余惠芳) (“Ms. Yee”), aged 58, is an independent non-executive Director and responsible for supervising and providing independent judgment to the Board and the audit committee and nomination committee of the Company.

Ms. Yee has more than 30 years of experience in finance and accounting areas in the Asia Pacific. Prior to joining the Group, she was a senior auditor of Deloitte Touche Tohmatsu from July 1988 to April 1993. From July 1993 to November 2006, she has served a number of positions in the Motorola Asia Pacific Limited, a multinational telecommunications company listed in the United States, with her last position as a controller for Hong Kong, the Philippines and the business development team of its networks and enterprise business. From December 2006 to April 2010, she has served a number of position in Ecolab Limited, a subsidiary of Ecolab Inc., a company listed in the United States, with her last position as Asia control director. From May 2010 to July 2012, she served as a vice president of finance in Active-Semi International, Inc. From July 2012 to June 2013, she worked as a senior director of finance and accounting, Asia, at Mikli Asia Limited. She then served as a director of finance from April 2014 to June 2017 at Targus Asia Pacific Limited.

Ms. Yee obtained a Degree of Bachelor of Social Sciences from the University of Hong Kong in November 1988 and a Degree of Bachelor of Science from the University of London in August 2002. She further obtained a Degree of Master of Business Administration from the University of Dubuque in December 2002. She has been admitted as a member of the Institute of Chartered Accountants in England and Wales in February 2006, and as an associate of the Hong Kong Institute of Certified Public Accountants since April 1992.

Mr. Yip Yat Lam (葉溢霖) (“Mr. Yip”), aged 39, is an independent non-executive Director and responsible for supervising and providing independent judgment to the Board and the audit committee and remuneration committee of the Company.

Mr. Yip has over 16 years of experience in strategic planning on sale of fabric and wine, providing advice and services on migration, financial management, client liaison and retirement of staff. Since 2009, Mr. Yip serves as the General Manager of Guangzhou Jianxing Fabric Co. Limited responsible for strategic planning on sale of fabric, financial management, client liaison and recruitment of staff. From 2015 to 2022, he was a Financial Advisor of Prudential Hong Kong Limited. Since 2019, Mr. Yip is also the General Manager of Guangzhou Yiming Cultural Communication Co. Limited responsible for strategic planning on sale of wine, financial management, client liaison and recruitment of staff. Mr. Yip serves as a Senior Sales Manager, AIA Hong Kong since 2022. Since 2023,

Mr. Yip serves as the General Manager of Guangzhou Requs Overseas Consulting Service Co. Limited responsible for providing advice and services on migration, financial management, client liaison and recruitment of staff.

Mr. Yip obtained a Bachelor's Degree in Law from the China University of Political Science and Law in June 2008.

Senior Management

Ms. Pang Yuk Fong (彭玉芳), aged 57, is the company secretary of the Company and responsible for the company secretarial matters of the Group. She is an experienced practising certified public accountant in Hong Kong with more than 31 years of professional accounting and company secretarial experience. She is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Institute of Chartered Accountants in England and Wales, The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute. She holds a Master of Professional Accounting Degree from the Hong Kong Polytechnic University.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Yu Sau Ning Homer M.H. (the chairman of the Audit Committee), Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and senior management” above in this appendix.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system, to monitor the independence and objectivity of the external auditor, to oversee the audit process, to perform the corporate governance function and other duties and responsibilities as assigned by the Board.

14. BINDING EFFECT

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

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

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

16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (www.hanveygroup.com.hk) during the period of 14 days from the date of this Prospectus:

- (a) the second amended and restated memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2021, 2022 and 2023;
- (c) the Placing Agreement;
- (d) the Supplemental Placing Agreement;
- (e) the letter from the Board, the text of which is set out on pages 10 to 33 of this Prospectus;
- (f) the accountant’s report on the unaudited pro forma financial information of the Group issued by Confucius International CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (g) the written consent referred to in paragraph headed “9. Expert and consent” of this appendix; and
- (h) the Prospectus Documents.

17. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

- (b) The Group's purchases are denominated in Hong Kong Dollars and the sales of the Group are predominantly in US Dollars, Renminbi and Hong Kong Dollars. As at the Latest Practicable Date, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk. The Group will continue to review and monitor from time to time the risk relating to foreign exchanges.

- (c) In the event of any inconsistency, the English texts of this Prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts.