
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "15. Documents delivered to the Registrar of Companies" 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 (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission, The Stock Exchange of Hong Kong Limited and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

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

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



WAN KEI GROUP HOLDINGS LIMITED 宏基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1718)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company



RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

Placing Agent



貝塔國際證券
BETA INTERNATIONAL SECURITIES

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus, unless the context requires otherwise. The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 10 April 2025 (or such other time and date as may be determined by the Company). The procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares are set out on pages 14 to 15 of this Prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Monday, 17 March 2025. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 28 March 2025 to Monday, 7 April 2025 (both days inclusive). Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and 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 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 conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placers under the Compensatory Arrangements. The Placing 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 minimum amount to be raised under the Rights Issue.

26 March 2025

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 17 January 2025 in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday 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 signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Wan Kei Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1718)

DEFINITIONS

“Compensatory Arrangements”	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Share by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules
“connected person”	has the meaning as ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened and held at which resolutions in approving, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder were duly passed
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such 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
“General Rules of HKSCC”	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 HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“HKSCC 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 amended from time to time

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$20,000,000 divided into 200,000,000 Shares of HK\$0.10 each to HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.10 each by creating an additional 800,000,000 unissued Shares with of HK\$0.10 each to rank <i>pari passu</i> in all respects with the existing Shares
“Independent Shareholder(s)”	Shareholders other than (i) all executive Directors and their respective associates (as defined under the Listing Rules); (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Latest Practicable Date”	18 March 2025, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus
“Last Trading Day”	17 January 2025, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 10 April 2025 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	5:00 p.m. on Tuesday, 29 April 2025 or such later time or date as may be agreed between the Placing Agent and the Company, being the latest time to terminate the Placing Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Issue (whether partially or fully) (under the PAL or their renounces or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed) or Excluded Shareholders (as the case may be)
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	arrangements to place the Unsubscribed Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“Placing Agent”	Beta International Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, which will place the Unsubscribed Shares and NQS Unsold Rights Shares to investors who are Independent Third Parties under the Compensatory Arrangements

DEFINITIONS

“Placing Agreement”	the placing agreement dated 17 January 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period from Tuesday, 22 April 2025 up to 4:00 p.m. on the fifth (5th) business day after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares, being Monday, 28 April 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
“Placing Price”	not less than HK\$0.2 per Unsubscribed Share and the NQS Unsold Rights Shares
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Wednesday, 26 March 2025 (or such other date as may be determined by the Company), being the date the Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Tuesday, 25 March 2025, the record date for the determination of the entitlements under the Rights Issue
“Registrar”	Tricor Investor Services Limited, the address of which is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every one (1) Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions to set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus
“Rights Share(s)”	115,200,000 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.2 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Excluded Shareholders (as the case may be)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Rights Issue. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this Prospectus refer to the Hong Kong local times and dates.

Events	Hong Kong Date and Time
	2025
First day of dealings in nil-paid Rights Share	Friday, 28 March
Latest time for splitting the PAL	4:30 p.m. on Tuesday, 1 April
Last day of dealings in nil-paid Rights Shares	Monday, 7 April
Latest time for lodging the transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangement	4:00 p.m. on Thursday, 10 April
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 10 April
Announcement of the number of the Unsubscribed Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 17 April
Commencement of placing of the Unsubscribed Shares and the NQS Unsold Rights Shares by the Placing Agent, on best effort basis	Tuesday, 22 April
Latest time for placing the Unsubscribed Shares and the NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Monday, 28 April
Latest time for the termination of the Placing Agreement	5:00 p.m. on Tuesday, 29 April
Announcement of the results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Thursday, 8 May

EXPECTED TIMETABLE

Events	Hong Kong Date and Time
	2025
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if the Rights Issue is terminated)	Friday, 9 May
Commencement of dealings in fully-paid Rights Shares	Monday, 12 May
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Friday, 16 May

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 if:

- (i) tropical cyclone warning signal No. 8 (or above);
- (ii) “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or
- (iii) a “black” rainstorm warning
 - (a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (b) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have any 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 does not take place on the currently scheduled date, the dates mentioned in the “Expected Timetable” above may be affected. Announcement will be made by the Company in such event. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



WAN KEI GROUP HOLDINGS LIMITED

宏基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1718)

Executive Directors:

Mr. Bai Huawei

Mr. Wang Yu

Non-executive Directors:

Mr. Xu Lin (Chairman)

Mr. Lui Kwok Wai

Independent non-executive Directors:

Mr. Jiang Senlin

Mr. Zhang Yi

Ms. Dan Xi

Registered office:

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

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

Unit No. 07, 16/F

Emperor Group Center

No. 288 Hennessy Road, Wanchai

Hong Kong

26 March 2025

To the Shareholders

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement and the circular of the Company dated 18 February 2025 in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

At the EGM held on 13 March 2025, the necessary resolution for approving, among other things, the Rights Issue and the Placing Agreement was duly passed by the Independent Shareholders. Please refer to the announcement of the Company dated 13 March 2025 in relation to, among others, the poll results of the EGM.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among other things, (i) further details of the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares; (ii) the financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other general information of the Group.

RIGHTS ISSUE

Details of the Rights Issue are set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.2 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.1858 per Rights Share
Number of Shares in issue as at the Latest Practicable Date and the Record Date	:	115,200,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 115,200,000 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$11,520,000
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 230,400,000 Shares
Gross proceeds from the Rights Issue	:	Up to approximately HK\$23.0 million before expenses

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

LETTER FROM THE BOARD

The 115,200,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 100.0% of the total number of issued Shares and 50.0% of the total number of issued Shares as enlarged by the issue of the Rights Shares.

Non-underwritten basis

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 the Rights Issue is not fully subscribed, any Unsubscribed Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements on a best efforts basis. Any Unsubscribed Shares or NQS 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 minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders 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 does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

As at the Latest Practicable Date, the Board has not received any information or undertaking from any substantial shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

The Subscription Price

The Subscription Price of HK\$0.2 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 36.51% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (ii) a discount of approximately 29.82% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 31.97% to the average closing price per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.294;
- (iv) a discount of approximately 36.31% to the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.314;
- (v) a discount of approximately 17.53% to the theoretical ex-rights price of approximately HK\$0.2425 per Share based on the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 17.64% represented by the theoretical diluted price of approximately HK\$0.2545 to the benchmarked price of approximately HK\$0.309 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.285 per Share and the average closing price of the Shares in the five trading days immediately prior to the date of the Announcement of HK\$0.309 per Share);
- (vii) a discount of approximately 74.36% to the consolidated net asset value per Share attributable to the Shareholders as at 31 March 2024 of approximately HK\$0.78 calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$90,322,000 as set out in the annual report of the Company for the year ended 31 March 2024 and 115,200,000 Shares in issue as at the Latest Practicable Date; and
- (viii) a discount of approximately 75.00% to the consolidated net asset value per Share attributable to the Shareholders as at 30 September 2024 of approximately HK\$0.80 calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$92,242,000 as set out in the interim report of the Company for the six months ended 30 September 2024 and 115,200,000 Shares in issue as at the Latest Practicable Date.

The Rights Issue will 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 7.27B of the Listing Rules.

LETTER FROM THE BOARD

The Subscription Price was determined taking into consideration (i) the recent market price of the Shares; (ii) the prevailing market conditions; (iii) the low trading volume of the Shares; and (iv) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed “Letter from the Board – Reasons for and benefits of the Rights Issue and the use of proceeds”. The Directors consider that the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Directors were aware of the fact that the Subscription Price represents a discount of approximately 74.36% and 75.00% to the consolidated net asset value per Share of approximately HK\$0.78 per Share as at 31 March 2024 and approximately HK\$0.80 per Share as at 30 September 2024, respectively. However, it is also noted that during the period from 1 July 2024 up to the Last Trading Day (the “**Relevant Period**”), the Shares were traded at all time at a discount to the consolidated net asset value per Share. In particular, it was noted that the Shares were traded with discounts ranging from approximately 37.5% to 71.6% as compared to the unaudited consolidated net asset value per Share as at 30 September 2024 (the “**NAV Discount Range**”). Considering the level of closing price of the Shares and that the Shares had been consistently traded at a substantial discount to the unaudited consolidated net asset value per Share during the Relevant Period, the Directors were of the view that, when determining the Subscription Price, it would be more appropriate to make reference to the prevailing market price of the Shares which reflected the fair market value of the Shares traded on the Stock Exchange, instead of making reference to the net asset value per Share. Although the Subscription Price represents a discount of approximately 75.00% to the unaudited consolidated net asset value per Share as at 30 September 2024, which is slightly out of the NAV Discount Range, the Board considers that, if the Subscription Price was made with reference to the consolidated net asset value per Share, the willingness of the Shareholders to participate in the Rights Issue would be significantly reduced, which would not be favourable to the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e., Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.1858 per Rights Share.

LETTER FROM THE BOARD

Basis of provisional allotments

Under the Rights Issue, the basis of the provisional allotment will be one (1) Right Share for every one (1) Share held by the Shareholders as at the close of business on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

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

Procedures for acceptance and payment or transfer

A PAL will be sent to the Qualifying Shareholders in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they 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 no later than 4:00 p.m. on Thursday, 10 April 2025 (or, under bad weather conditions and/or extreme conditions, such later time or date as mentioned in the section headed "Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares" in "Expected Timetable" in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "**TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 52**" 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 no later than 4:00 p.m. on Thursday, 10 April 2025, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company is not obliged to but may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Tuesday, 1 April 2025 to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar's address set out above after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly referred to as "splitting" of nil-paid rights. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

If the Qualifying Shareholders wish to transfer all of their nil-paid Rights Shares under the PAL(s) (or a split PAL(s), as the case may be) to another person, they must complete and sign Form B in the PAL(s) and hand the PAL(s) to the person(s) to or through whom they are transferring their nil-paid rights. The transferee must then complete and sign Form C in the PAL(s) and lodge the PAL(s) intact together with a remittance for the full amount payable on acceptance with the Registrar so as to be received by no later than 4:00 p.m. on Thursday, 10 April 2025 to effect the transfer. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable securities or other laws or regulations of any jurisdiction.

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus is not fulfilled at or before 5:00 p.m. on Tuesday, 29 April 2025, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, 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 about Friday, 9 May 2025.

LETTER FROM THE BOARD

Cheques and banker's cashier orders

All cheques or banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or banker's cashier order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right and is in its absolute discretion to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights and all such assured entitlements thereunder will be deemed to have been declined and will be cancelled.

Beneficial owners' instructions to their intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their intermediary and provide their intermediary with instructions or make arrangements with their intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the "Expected Timetable" in this Prospectus and otherwise in accordance with the requirements of their intermediary in order to allow their intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or "splitting" in these cases shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other applicable requirements of HKSCC.

Fractional entitlement to the Rights Shares

On the basis of the provisional allotment of one (1) Right Share for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue and no entitlements of the Excluded Shareholders to the Rights Shares shall be issued to the Excluded Shareholders. No odd lot matching services will be provided.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the 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. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will make available and/or despatch (as the case may be) the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) not an Excluded Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Tuesday, 18 March 2025.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date.

The Company will despatch the PAL in printed form to the Qualifying Shareholders. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.hkex1718.hk) and the Stock Exchange (www.hkexnews.hk). A notice of publication of the website version of the Prospectus, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Prospectus.

LETTER FROM THE BOARD

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue 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 will be diluted.

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 all fully paid Rights Shares are expected to be sent on or about Friday, 9 May 2025 by ordinary post to those entitled thereto, at their own risk, to their registered addresses. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Friday, 9 May 2025 by ordinary post to the respective applicants, at their own risk. Shareholders, except HKSCC Nominees Limited, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued to those entitled.

Taxation

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

Application for listing in nil-paid and fully-paid forms

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued 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. Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 5,000 Rights Shares.

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.

LETTER FROM THE BOARD

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 HKSCC and HKSCC 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.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the securities law of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

As at the Latest Practicable Date, there were no Overseas Shareholders based on the register of members of the Company. Since the register of members of the Company is closed from Wednesday, 19 March 2025 to Tuesday, 25 March 2025 (both dates inclusive), there were no Overseas Shareholders as at the Record Date. Accordingly, there are no Excluded Shareholders for the purpose of the Rights Issue.

Non-underwritten basis

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 the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent places under the Compensatory Arrangements.

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

The Company has made arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Shares and the NQS Unsold Rights Shares to independent places for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company appointed the Placing Agent to place the Unsubscribed Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent places on a best effort basis, and any Net Gain will be paid to the relevant No Action Shareholders and Excluded Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 28 April 2025, acquirers for all (or as many as possible) of those Unsubscribed Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price.

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Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the relevant No Action Shareholders and Excluded Shareholders as set out below:

- (i) for No Action Shareholders, 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 where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (ii) for Excluded Shareholders, the relevant Excluded Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) and Excluded Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

Closure of register of members for Rights Issue

The register of members of the Company has been closed from Wednesday, 19 March 2025 to Tuesday, 25 March 2025 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares has been registered.

PLACING AGREEMENT

Principal terms of the Placing Agreement are as follow:

Placing Agent : Beta International Securities Limited

The Placing Agent is a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO.

Placing commission : subject to completion of the Placing taking place, the Company shall pay a placing commission of 3.0% of the actual gross proceeds from the subscription of the Unsubscribed Shares and the NQS Unsold Rights Shares under the Placing (the “**Placing Commission**”)

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- Placing price : not less than HK\$0.2 per Unsubscribed Share and the NQS Unsold Rights Shares
- Placing Period : a period commencing from the first (1st) Business Day immediately after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (i.e. Thursday, 17 April 2025 under the current timetable) and ending on 4:00 p.m. on the fifth (5th) business day after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (both days inclusive)
- Placees : The Unsubscribed Shares and NQS Unsold Rights Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties and not acting in concert with the Placing Agent and its concert parties.
- For the avoidance of doubt, no placee will become a substantial Shareholder.
- Ranking of the placed Unsubscribed Shares and the NQS Unsold Rights Shares : The placed Unsubscribed Shares and NQS 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 Rights Issue.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:
- (i) the Rights Issue having become unconditional;
 - (ii) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing;
 - (iii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Shares and the NQS Unsold Rights Shares with or without conditions;

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- (iv) none of the Placees becoming a substantial shareholder of the Company as a result of the Placing;
- (v) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

As at the Latest Practicable Date, none of the conditions above have been fulfilled.

Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares and the NQS Unsold Rights Shares or 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:

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- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

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- (e) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue 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 a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate for rights issues in the market, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The placing commission of the rights issue transactions announced in the Stock Exchange during the period from 17 July 2024 to the Last Trading Day (the "**Comparables**"), ranged from nil to 3.5%, with the average and median of approximately 1.77% and 1.50%, respectively. It is noted that the placing commission is at the high end and above the average and median of the Comparables. Nonetheless, having considered that (i) the placing commission of 3.0% falls within the range of the Comparables; and (ii) the recent commission rate of the rights issue transactions in the market, i.e. 5 out of 10 of the Comparables announced in December 2024 have a placing commission between 2.0% – 3.0% which is higher than the average of the Comparables, and meanwhile, the placing commission all Comparables announced in December 2024 are either equivalent or higher than the median of the Comparables, the Board is of the view the commission rate of 3.0% is on normal commercial terms, fair and reasonable. The Directors consider that the terms of the Placing Agreement are fair and reasonable and on normal commercial terms.

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The Placing Agent confirms that it is an Independent Third Party. The Placing Agent will, on a best efforts basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares and NQS Unsold Rights Shares.

If all or any of the Unsubscribed Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Excluded Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Shares that are not placed by the Placing Agent will not be issued by the Company. As at the Latest Practicable Date, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company. As such, the Company considers that the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Company has put in place the above Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

Conditions of the Rights Issue

The Rights Issue is conditional upon fulfillment of the following conditions:

- (i) the delivery to the Stock Exchange, and filing and registration with Companies Registry in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance;
- (ii) the made available and/or despatch (as the case may be) of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the made available of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

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- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked;
- (iv) the Independent Shareholders having approved at the EGM of the Increase in Authorised Share Capital, the Rights Issue and the Placing Agreement no later than the Prospectus Posting Date; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof, and remaining in full force and effect.

As at the Latest Practicable Date, save for condition (iv), all other conditions has not been satisfied. None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

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

The Group is principally engaged in the provision of (i) foundation construction works; (ii) ground investigation services; (iii) financial services; (iv) trading of consumer products; and (v) e-commerce sales, live streaming and promotion business in the social media.

Revenue from the foundation works contributed approximately 76.1% to the total revenue of the Group for the year ended 31 March 2024. Since the listing of the Shares on the Stock Exchange in 2015, the Group has faced challenging operational conditions due to the sluggish growth of foundation industry in Hong Kong. According to the statistics of Census and Statistics Department, the gross value of piling and related foundation works in nominal terms performed by main contractors in Hong Kong decreased by approximately 22.3% from approximately HK\$18.6 billion in 2015 to approximately HK\$14.5 billion in 2022. Although the gross value of piling and related foundation works rebounded to approximately HK\$21.0 billion in 2023, as disclosed in the annual report of the Company for the year ended 31 March 2024, the Group's revenue from undertaking foundation construction works decreased by approximately 14.0% from approximately HK\$255.3 million for the year ended 31 March 2023 to approximately HK\$219.6 million for the year ended 31 March 2024, primarily due to the decrease in the number of sizable projects tendered by the Group. For the six months ended 30 September 2024, while the Group recorded increase in revenue generated from foundation construction works by approximately 3.7% as compared to the six months ended 30 September 2023 as there were increase in number of sizeable foundation construction projects tendered by the Group during the period, the Group has been loss making as a result of the increase in selling expenses and general and administrative expenses and the provision of impairment losses on financial and contract assets for the six months ended 30 September 2024 while a reversal of impairment losses on financial and contract assets was recorded in the corresponding period in 2023.

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In view of the sluggish growth of foundation industry in Hong Kong, the Company has on one hand remained conservative on its existing construction business and on the other hand seeking opportunities to broaden the income stream of the Group. Based on the business operations of the Group, the Directors estimate that the Group generally requires around HK\$62.0 million for funding the one-year operation costs of the construction segment of the Group, which includes, among others, staff costs of approximately HK\$48.0 million, office and warehouse rental of approximately HK\$2.1 million, motor vehicle expenses of approximately HK\$3.0 million, and plant repairs and maintenance costs of approximately HK\$1.8 million. In addition, the Directors estimate that the Group generally require around HK\$28.4 million per year for the administrative expenses and general working capital of the headquarter, which includes, among others, Directors' fee, remuneration and staff salaries of approximately HK\$19.4 million, rentals for three offices of approximately HK\$3.7 million, legal and professional fees of approximately HK\$3.9 million. Although the Group had cash and cash equivalents of approximately HK\$104.8 million as at 31 December 2024, among which approximately HK\$20.7 million were the proceeds from the placing exercise of the Company in 2016 which were reserved for possible acquisition of equity interests in target company(-ies) engaged in the food and beverage and/or the construction sectors by 31 March 2025, which the Group is still in the progress of seeking appropriate targets and the Group has not yet identified any as at the Latest Practicable Date. As such, the Group only had remaining cash and cash equivalents of approximately HK\$84.1 million.

As such, given the capital intensive nature of the construction business and the working capital requirement, the remaining cash and cash equivalents of approximately HK\$84.1 million is only sufficient for the operating expenses for the headquarter and the operating expenses for the construction segment for approximately 11 months. In 2024, both of the commercial and residential property market had been weak. According to Jones Lang LaSalle Inc. (<https://www.jll.com.hk/en/newsroom/jll-hong-kong-real-estate-market-faces-continued-challenges-in-2025>), the rental of Hong Kong Grade A Office decreased by 8.6% and the capital value of mass residential market decreased by 6.4% in 2024, and expected to continue to decrease in 2025. Due to the weak commercial and residential property market, property developers are reluctant to acquire land. With reference to the 2024-25 budget of the Hong Kong government, the government's revenue from land in its 2023-2024 fiscal year was only approximately HK\$19.6 billion, which was the lowest since the global financial crisis in 2008-2009 and substantially lower than the premium of approximately HK\$69.9 billion in 2022-2023 fiscal year and approximately HK\$143.0 billion in 2021-2022 fiscal year. With the decrease in land acquired and to be developed by property developers, the construction industry in Hong Kong is considered to be gloomy in the near future. As such, the Directors consider that although the Group recorded increase in revenue from the construction business for the six months ended 30 September 2024, the revenue growth may not be sustainable and it is reasonable and conservative to preserve additional liquid funds for working capital of the Group and to allow the Group to timely grasp business opportunities when the construction industry recovers.

LETTER FROM THE BOARD

Further, as at 30 September 2024, the gearing ratio of the Group (defined as total interest-bearing liabilities divided by the Group's total equity) was approximately 210.0%. The Group had an aggregate amount of approximately HK\$182.7 million as at 30 September 2024 due to a related company and directors of subsidiaries which are unsecured, bearing interest at 4.5% to 6.5% per annum and repayable on demand. In December 2024, the Group repaid HK\$20.0 million to a director of a subsidiary. As at the Latest Practicable Date, save for the aforementioned HK\$20.0 million, the lenders did not request for further repayment of the borrowings. Nevertheless, given the significant amount of the borrowings and that they are repayable on demand, the Directors consider that the Group shall reserve sufficient financial resources in case of the lenders request for repayment. On the other hand, in view of the significant interest expenses as a result of the borrowings, the Directors consider that it may not be desirable to further increase borrowings to finance the operations of the Group.

The gross proceeds from the Rights Issue are expected to be approximately HK\$23.0 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$21.4 million. The Company intends to apply the net proceeds from the Rights Issue as general working capital of the Group over the coming months and utilised by 31 December 2025, particularly for the funding of the construction segment of the Group and the general working capital of the headquarter, such that the Group shall preserve liquid funds that is sufficient for at least 12 months of working capital of the Group. In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue shall still be utilised as the funding of the construction segment of the Group and the general working capital of the headquarter as and when required.

Fundraising alternatives

The Board has considered various fundraising alternatives before resolving to the Rights Issue, including debt financing and equity financing alternatives such as open offer and placing of new shares.

Taking into account the Group's high gearing ratio and years of losses, the Directors consider debt financing would result in additional interest burden and further adversely affect the Group's profitability. With respect to equity financing alternatives, the Board considers that placing of new Shares would be a sub-optimal fundraising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

LETTER FROM THE BOARD

The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfill the development plan of the Group without further increase the interest burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above, the Directors consider that the terms of the Rights Issue are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Shareholders; (iii) immediately after completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent places:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up any entitlements of the Rights Shares and all the Unsubscribed Shares and NQS Unsold Rights Shares are placed to the independent places	
	<i>Number of Shares</i>		<i>Number of Shares</i>		<i>Number of Shares</i>	
	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>
Su Guifang	11,592,000	10.06	23,184,000	10.06	11,592,000	5.03
Existing public Shareholders	103,608,000	89.94	207,216,000	89.94	103,608,000	44.97
Independent places	-	-	-	-	115,200,000	50.00
Total	115,200,000	100.00	230,400,000	100.00	230,400,000	100.00

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

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

On 16 April 2024, the Group allotted and issued 19,200,000 Shares to not less than six placees at the placing price of HK\$1.00 per Share. The net proceeds from the placing were approximately HK\$18.7 million, for the administration and operation expenses of the headquarters of the Group in Hong Kong. The Group has fully utilised the net proceeds of approximately HK\$18.7 million as intended for the administration and operation expenses of the headquarters of the Group in Hong Kong by 31 December 2024.

Saved as disclosed above, the Company did not conduct any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the issued Shares by more than 50%, the Rights Issue is subject to the approval of the Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As at the date of the EGM, the Company had no controlling shareholder and none of the Directors and the chief executive of the Company and their respective associates held any Shares. Accordingly, no Shareholder was required to abstain from voting in favour of the resolution approving the Rights Issue at the EGM and no Director had abstained from voting in favour of the Rights Issue at the meeting of the Board. At the EGM, the necessary resolution approving, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder were duly passed by the Shareholders by way of poll.

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 7.27B of the Listing Rules.

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

The Rights Issue is conditional upon fulfilment of the conditions set out in the paragraph headed “Letter from the Board – Conditions of the Rights Issue” of this Prospectus, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

LETTER FROM THE BOARD

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. 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 drawn to the additional information set out in the appendices to this Prospectus. In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

For and on behalf of the Board
Wan Kei Group Holdings Limited
Xu Lin
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.hkex1718.hk):

- (i) the audited financial information of the Group for the year ended 31 March 2022 is disclosed in the annual report of the Company for the year ended 31 March 2022 published on 29 July 2022 (pages 111 to 227)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0729/2022072901998.pdf>);

- (ii) the audited financial information of the Group for the year ended 31 March 2023 is disclosed in the annual report of the Company for the year ended 31 March 2023 published on 27 July 2023 (pages 120 to 235)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0727/2023072700469.pdf>);

- (iii) the audited financial information of the Group for the year ended 31 March 2024 is disclosed in the annual report of the Company for year ended 31 March 2024 published on 18 July 2024 (pages 143 to 267)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0718/2024071800272.pdf>);

and

- (iv) the unaudited financial information of the Group for the six months ended 30 September 2024 is disclosed in the interim report of the Company for the six months ended 30 September 2024 published on 16 December 2024 (pages 44 to 99)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1216/2024121600409.pdf>)

2. INDEBTEDNESS STATEMENT

As at 31 January 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group's indebtedness are set out below:

	<i>HK\$'000</i>
Due to a related company – unsecured and unguaranteed (<i>note a</i>)	55,556
Due to directors of subsidiaries – unsecured and unguaranteed (<i>note b</i>)	113,340
Lease liabilities – unsecured and unguaranteed	<u>1,242</u>
	<u><u>170,138</u></u>

Notes:

- (a) The amount is unsecured, repayable on demand and bearing interest at 5% per annum.
- (b) The amount due to Mr. Lau Woon Si (“**Mr. Lau**”) is unsecured, bearing interest at 6.5% per annum and repayable on demand. Mr. Lau is a member of key management personnel of the Group and is a director of a subsidiary.

The amount due to Mr. Chen Yu (“**Mr. Chen**”) is unsecured, bearing interest at 4.5% per annum and repayable on demand. Mr. Chen is a member of key management personnel of the Group and is a director of a subsidiary.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 31 January 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the Group did not have any loan capital or debt securities issued and outstanding or agreed to be issued, or authorized or otherwise created but unissued, bank overdrafts, loans, term loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since indebtedness statement; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. SUFFICIENCY OF WORKING CAPITAL

The Group has obtained the letters of financial support (the “**Financial Support**”) from (i) a director (the “**Subsidiary’s Director**”) of a subsidiary of the Company and (ii) a related company, pursuant to which, the Subsidiary’s Director and the related company agreed not to demand for repayment of the amount due to them in aggregate of HK\$155.3 million and until the Group is in a position to do so. The Directors are of the opinion that, after taking into account the Financial Support and financial resources presently available to the Group including the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for at least the next twelve months from the date of the publication of this prospectus.

4. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Company for the six months ended 30 September 2024, the Group recorded net loss attributable to Shareholders of approximately HK\$10.6 million for the six months ended 30 September 2024, as compared to profit attributable to Shareholders of approximately HK\$18.4 million for the six months ended 30 September 2023, which was mainly due to (i) the provision of impairment losses on financial and contract assets for the period while a reversal of impairment losses on financial and contract assets was recorded in the corresponding period in 2023; and (ii) the increase of selling expenses and general and administrative expense. In addition, the Company is expected to make a further impairment loss on a specific customer, which is a non-cash item, in the amount of approximately HK\$3.6 million since that customer entered into liquidation procedure in February 2025. Save for the above, the Directors confirm that there was no material adverse change in the financial or trading position of the Group subsequent to 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the provision of (i) foundation construction works; (ii) ground investigation services; (iii) financial services; (iv) trading of consumer products; and (v) e-commerce sales, live streaming and promotion business in the social media.

Revenue from the foundation works contributed approximately 76.1% to the total revenue of the Group for the year ended 31 March 2024. Since the listing of the Shares on the Stock Exchange in 2015, the Group has faced challenging operational conditions due to the sluggish growth of foundation industry in Hong Kong. According to the statistics of Census and Statistics Department, the gross value of piling and related foundation works in nominal terms performed by main contractors in Hong Kong decreased by approximately 22.3% from approximately HK\$18.6 billion in 2015 to approximately HK\$14.5 billion in 2022. Although the gross value of piling and related foundation works rebounded to approximately HK\$21.0 billion in 2023, as disclosed in the annual report of the Company for the year ended 31 March 2024, the Group's revenue from undertaking foundation construction works decreased by approximately 14.0% from approximately HK\$255.3 million for the year ended 31 March 2023 to approximately HK\$219.6 million for the year ended 31 March 2024, primarily due to the decrease in the number of sizable projects tendered by the Group. For the six months ended 30 September 2024, while the Group recorded increase in revenue generated from foundation construction works by approximately 3.7% as compared to the six months ended 30 September 2023 as there were increase in number of sizeable foundation construction projects tendered by the Group during the period, the Group has been loss making as a result of the increase in selling expenses and general and administrative expenses and the provision of impairment losses on financial and contract assets for the six months ended 30 September 2024 while a reversal of impairment losses on financial and contract assets was recorded in the corresponding period in 2023.

In view of the sluggish growth of foundation industry in Hong Kong, the Company has on one hand remained conservative on its existing construction business and on the other hand seeking opportunities to broaden the income stream of the Group. In respect of the construction business, the Group intends to adopt a conservative approach with the current strategy to preserve liquid funds for working capital of the business, while on the hand allows the Group to timely grasp business opportunities when the construction industry recovers. At the same time, the Group had been actively exploring new business opportunities by diversifying into the trading business and the e-commerce sales, live streaming and promotion business in the social media. Due to the uncertainties in the prospect of the construction business, it is also the intention of the Group to continue to develop the e-commerce sales, live streaming and promotion business and explore other businesses with prospects when available.

In respect of the trading of consumer products business, during the six months ended 30 September 2024, the Group has engaged in the trading of wine and skincare products. Under the trading business, the Group generally first purchased the products from independent corporate suppliers and source individual corporate customers for the sale. Based on the business performance, the Group is expected to continue the wine trading business which recorded gross profit margin of around 17% for the period and discontinue the trading of skincare products business due to its lower profit margin of only 3% for the period. On the other hand, the Group is also exploring the development of trading of other high margin products, such as cigar, in the future.

In respect of the e-commerce business, the Group has conducted it in various business models depending on the product types. For jewellery, educational products and second-hand luxury bags, the Group would source these products from independent corporate suppliers and sale them on Douyin to generate revenue. For sport products, the Group has entered into a strategic cooperation agreement with Peak Sport Products Co Limited (“**Peak Sport**”) in August 2024, pursuant to which the Group was granted the right to be the exclusive sales agent of the ski equipment and protective gear, such as ski-boards, snowboards, boots, bindings, goggles and protection gears, of Peak Sport during the period from April 2024 to March 2027. The Group could procure a third party factory for the manufacture of the ski equipment and protective gear, whereas the orders would be first placed by Peak Sport to the factory, and the Group would then purchase the ski equipment and protective gear from Peak Sport at a fixed premium over the cost for the sale on e-commerce platforms, such as Douyin, Pinduoduo, Tmall, JD.com, Taobao, etc. For wine, the Group has acted as an agent for the sale on e-commerce platforms and earn commission income when there is purchase. Apart from the above, the Group also engaged key opinion leaders (KOLs) for promotion and enhancement of sales from time to time on the various products. While the Group is mainly engaged in the construction business, the senior management of the Group who is responsible for the operation of the trading and e-commerce business namely the director and legal representative of the operating subsidiary for the e-commerce business, possess over 15 years of experience on the development and management of online platforms, social media and e-commerce business. Leveraged also on the general business management experience of the Directors, the Directors consider the Group possess the relevant expertise in operating each of the trading and e-commerce businesses.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP****1. INTRODUCTION**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) of the Group which has been prepared in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) on the basis of the notes set out below for illustrating the impact of the rights issue (the “**Rights Issue**”) on the basis of one rights share (the “**Rights Share**”) for every one existing share (“**Share**”) of the Company held on 25 March 2025 (the “**Record Date**”) on the Group’s consolidated net tangible assets as if the Rights Issue had taken place on 30 September 2024. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 September 2024 or any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group as at 30 September 2024 as extracted from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2024 as set out in the published interim report of the Group dated 27 November 2024 and adjusted for the effect of the Rights Issue.

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

Unaudited consolidated net tangible assets of the Group as at 30 September 2024 HK\$'000 (Note a)	Estimated net proceeds from the Rights Issue HK\$'000 (Note b)	Unaudited pro forma adjusted consolidated net tangible assets of the Group as if the Rights Issue had been completed as at 30 September 2024 HK\$'000
91,864	21,400	113,264

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 30 September 2024 prior to the completion of the Rights Issue (Note c)

82.0 HK cents

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as if the Rights Issue had been completed as at 30 September 2024 (Note d)

49.8 HK cents

Notes:

- (a) The unaudited consolidated net tangible assets of the Group of approximately HK\$91,864,000 as at 30 September 2024 is arrived at by deducting the intangible assets of approximately HK\$378,000 as at 30 September 2024 from the unaudited consolidated net assets of the Group attributable to the owners of the Company of approximately HK\$92,242,000 as at 30 September 2024 as extracted from the published unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 as set out in the published interim report of the Group dated 27 November 2024.
- (b) The estimated net proceeds from the Rights Issue of approximately HK\$21,400,000 are calculated based on 115,200,000 Rights Shares to be issued at the subscription price of HK\$0.2 per Rights Share and after deduction of the estimated legal and professional expenses and other related expenses which are directly attributable to the Rights Issue of approximately HK\$1,640,000. The estimated 115,200,000 Rights Shares, on the basis of one Rights Share for every one Share held on 25 March 2025 (the “**Record Date**”) to be issued, is based on 115,200,000 existing Shares in issue as at 30 September 2024, in which, as to 3,164,500 existing Shares were held for the Company’s share award scheme. All Rights Shares (including 3,164,500 existing Shares held for Company’s share award scheme) are assumed to be fully placed out to the investors by the placing agent.
- (c) The calculation of the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 30 September 2024 prior to the completion of the Rights Issue is based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$91,864,000 and 112,035,500 Shares, which is based on 115,200,000 existing Shares in issue as at 30 September 2024 and adjusted by the effect of 3,164,500 Shares held for the Group’s share award scheme.
- (d) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as if the Rights Issue had been completed as at 30 September 2024 is based on (i) unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed of approximately HK\$113,264,000 as at 30 September 2024; and (ii) 227,235,500 Shares, which comprise of (i) 112,035,500 existing Shares, which is based on 115,200,000 existing Shares in issue as at 30 September 2024 and adjusted by the effect of 3,164,500 Shares held for the Group’s share award scheme; and (ii) 115,200,000 Rights Shares expected to be issued on the completion of the Rights Issue (note (b) above).
- (e) No adjustment has been made to reflect the operating results or other transactions of the Group entered into subsequent to 30 September 2024.

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

The following is the text of a report prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants, Ascenda Cachet CPA Limited. Terms defined herein apply to this report only.

10/F, Tien Chu Commercial Building,
173 Gloucester Road, Wanchai, Hong Kong
香港灣仔告士打道173號天廚商業大廈10樓



26 March 2025

Wan Kei Group Holdings Limited
Unit No. 07, 16/F.
Emperor Group Center
No. 288 Hennessy Road
Wanchai, Hong Kong

To the directors of Wan Kei Group Holdings Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of Wan Kei Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) by the directors (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 of the Group as at 30 September 2024 as set out II-1 to II-3 to the prospectus (the “**Prospectus**”) dated 26 March 2025 issued by the Company. The applicable criteria on the basis of which the Directors 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 to illustrate the impact of the rights issue (the “**Rights Issue**”) on the basis of one rights share (the “**Rights Share**”) for every one existing share (“**Share**”) of the Company held on 25 March 2025 (the “**Record Date**”) on the Group’s consolidated net tangible assets as at 30 September 2024 as if the Rights Issue had taken place at 30 September 2024. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the Directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2024 as set out in the published interim report of the Group dated 27 November 2024.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

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

The Firm applies Hong Kong Standard on Quality Management 1, which requires the Firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants’ responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by HKICPA.

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

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue 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 transaction at 30 September 2024 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ASCENDA CACHET CPA LIMITED

Certified Public Accountants

Wan Kin Man Tony

Practising Certificate Number: P05506

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and 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 the completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to the completion of the Rights Issue) are set out as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
1,000,000,000 Shares of HK\$0.1 each	100,000,000
<i>Issued and paid-up share capital:</i>	
115,200,000 Shares of HK\$0.1 each	11,520,000

(ii) Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Issue and no further issue or repurchase of Shares from the Latest Practicable Date up to the completion of the Rights Issue):

<i>Authorised:</i>	<i>HK\$</i>
1,000,000,000 Shares of HK\$0.1 each	100,000,000
<i>Issued and paid-up share capital:</i>	
115,200,000 Shares of HK\$0.1 each	11,520,000
115,200,000 Rights Shares to be allotted and issued upon completion of the Rights Issue	<u>11,520,000</u>
230,400,000 Shares in issue immediately after completion of the Rights Issue	<u><u>23,040,000</u></u>

All of the Shares in issue are fully-paid and rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. 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, there was no arrangement under which future dividends are waived or agreed to be waived.

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

3. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.

Substantial shareholders' interest in Shares and underlying shares

As at the Latest Practicable Date, so far as it were known to the Directors or chief executive of the Company, the following persons (other than a director or chief executive of the Company) have an interests or a short positions in the shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO:

Name of substantial Shareholder	Capacity	Number of Shares	Approximate percentage of shareholdings
Su Guifang	Beneficial owner	11,592,000	10.06%

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (not being Directors or chief executives of the Company) who had interest or short position in the Shares or underlying Shares which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them or his/her/ its respective close associates had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosable under the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors (i) had any interest in any assets which have been, since 31 March 2024 (being the date up to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group and (ii) was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

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).

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

8. EXPERT AND CONSENT

The following sets out the qualification of the expert who has given opinion, letter or advice included in this Prospectus:

Name	Qualification
Ascenda Cachet CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above 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/or the reference to its name in the form and context in which they respectively 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 above 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 March 2024, being the date to which the latest published audited accounts of the Company were made up.

9. MATERIAL CONTRACTS

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

- (i) the placing agreement dated 3 April 2024 entered into between the Company and the Placing Agent in relation to the placing, on a best effort basis, of up to 19,200,000 new Shares at the placing price of HK\$1.0 per placing Share under general mandate for net proceeds of approximately HK\$18.7 million; and
- (ii) the Placing Agreement.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors	<i>Executive Directors</i> Mr. Bai Huawei Mr. Wang Yu <i>Non-executive Directors</i> Mr. Xu Lin (<i>Chairman</i>) Mr. Lui Kwok Wai <i>Independent non-executive Directors</i> Mr. Jiang Senlin Mr. Zhang Yi Ms. Dan Xi
Registered office	Windward 3 Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Head office and principal place of business in Hong Kong	Unit No. 07, 16/F Emperor Group Center No. 288 Hennessy Road, Wanchai Hong Kong
Legal advisers to the Company as to Hong Kong laws	Li & Partners 22/F, World Wide House Central, Hong Kong
Company secretary	Ms. Wong Kit Ying
Auditors	Ascenda Cachet CPA Limited Certified Public Accountants 10/F Tien Chu Commercial Building 173 Gloucester Road Wanchai Hong Kong
Authorised representatives	Mr. Bai Huawei Unit No. 07, 16/F Emperor Group Center No. 288 Hennessy Road, Wanchai Hong Kong

	Ms. Wong Kit Ying Unit No. 07, 16/F Emperor Group Center No. 288 Hennessy Road, Wanchai Hong Kong
Principal bankers	Industrial and Commercial Bank of China (Asia) Limited 33/F., ICBC Tower 3 Garden Road Central, Hong Kong Hang Seng Bank Limited 83 Des Voeux Road Central Central, Hong Kong Bank of Communication Co., Ltd. 20 Pedder Street Central, Hong Kong DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Central, Hong Kong Bank of China (Hong Kong) Limited Bank of China Tower 1 Garden Road Central, Hong Kong China Everbright Bank 23/F Everbright Centre 108 Gloucester Road Wan Chai, Hong Kong
Hong Kong share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

Financial adviser	Rainbow Capital (HK) Limited Office No. 710, 7/F Wing On House No. 71 Des Voeux Road Central Hong Kong
Placing Agent	Beta International Securities Limited Room 3326, 33/F China Merchants Tower, Shun Tak Centre 168-200 Connaught Road Central Sheung Wan, Hong Kong

11. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to the financial advisory fees, printing, registration, translation, legal and accounting fees are estimated to be approximately HK\$1.6 million, which are payable by the Company.

12. PARTICULARS OF DIRECTORS OF THE COMPANY

Executive Director

Mr. Bai Huawei, aged 45, has over 20 years of experience in securities trading, enterprise listing, investment, financing and fund management and also has extensive professional experience in the energy field during his past cooperation with central state-owned enterprises in China. He has been a managing director of Xinglin Investment (Hong Kong) Limited since December 2015, a representative for type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, the “SFO”) (“**Type 1**”) of Shun Loong Securities Company Limited since May 2020 and a representative for type 9 (asset management) regulated activities under the SFO (“**Type 9**”) of Capital Focus Asset Management Limited since May 2020. Mr. Bai was also a representative for Type 1 of Emperor Securities Limited from March 2010 to May 2020, a representative for Type 1 of Emperor Wealth Management Limited from May 2012 to June 2017, a representative for type 2 (dealing in futures contracts) regulated activities under the SFO of Emperor Futures Limited from August 2017 to May 2020 and a representative and responsible officer for Type 9 of Emperor Asset Management Limited from August 2011 to October 2014 and from October 2014 to June 2017, respectively. Mr. Bai joined the Company since 7 September 2023.

Mr. Wang Yu, aged 39, is a managing partner at BRICs (Xiamen) Equity Investment Fund Co., Ltd.* since December 2018. Prior to that, Mr. Wang served as post-doctoral analyst at China Oceanwide Holdings Group Co., Ltd. from May 2017 to May 2019 and chief analyst at Zhuhai ValueHunter Investment Fund Management Co., Ltd. from September 2014 to September 2015. Mr. Wang obtained a bachelor's degree in finance and a master's degree in management studies from Waikato University in the New Zealand in June 2009 and August 2011 respectively, and a doctor's degree in management from City University of Macau in September 2014. He was also a postdoctoral fellow in theoretical economics at Chinese Academy of Social Sciences in the People's Republic of China from May 2017 to May 2019. Mr. Wang joined the Company since 5 January 2024.

Non-executive Directors

Mr. Lui Kwok Wai, aged 34, was appointed as the vice president of OCI International Holdings Limited (“**OCI International**”), a company listed on the Stock Exchange (Stock Code: 329), since November 2020. He is also a director of various subsidiaries of OCI International and the managing director and responsible officers of OCI Asset Management Company Limited, an indirectly wholly owned subsidiary of the OCI International. He manages SFC Type 1, Type 4 and Type 9 regulated activities and also acts as the overall management oversight and the manager-in-charge of key business line functions. Mr. Lui is focusing on company management, fund investment & capital market area, and business development. Mr. Lui has extensive experience in capital market and corporate finance. He served as the senior vice president of the leverage & acquisition finance division of Mason Securities Limited from October 2016 to July 2020. Mr. Lui was responsible for margin finance, general offer finance, merge & acquisition projects, asset management, advising on securities trading and funds investment, as well as issuance of investment research report.

Mr. Lui also served as non-executive director of China International Development Corporation Limited, a company listed on the Stock Exchange (stock code: 264), from February 2017 to March 2018. Mr. Lui obtained a bachelor's degree of Science in Engineering (Environmental Engineering) from the University of California, San Diego in 2013. Mr. Lui joined the Company since 5 January 2024.

Mr. Xu Lin, aged 64, had obtained a bachelor's degree in law from Xi'an Political Science and Law University* and a master's degree in business administration from Capital University of Economics and Business in July 1996 and December 2001, respectively. He gained experience through various positions and has a solid foundation in economic theory and rich management experience. Mr. Xu currently serves as a non-executive director of Yunnan Jinggu Forestry Co., Ltd. ("**Yunnan Jinggu Forestry**"), a company listed on the Shanghai Stock Exchange (Stock Code: 600265) since December 2020, an independent non-executive director of Mei Ah Entertainment Group Limited, a company listed on the Stock Exchange (Stock Code: 391), since December 2022 and a non-executive director of Hao Tian International Construction Investment Group Limited, a company listed on the Stock Exchange (Stock Code: 1341), since October 2020. From September 2021 to January 2023, Mr. Xu worked for Chow Tai Fook Enterprises Limited as the senior vice president. Mr. Xu previously also served as a non-executive director of Goldstone Capital Group Limited, a company listed on the Stock Exchange (Stock Code: 1160), from December 2022 to October 2024, the chairman of the board of Yunnan Jinggu Forestry, from December 2020 to March 2024, an independent non-executive director of China United Venture Investment Limited (formerly known as Glory Mark Hi-Tech (Holdings) Limited), a company listed on GEM of the Stock Exchange (Stock Code: 8159) from March 2022 to December 2022, an executive director and the vice chairman of the board of DTXS Silk Road Investment Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 620), from April 2020 to February 2021, an independent non-executive director of Lamtex Holdings Limited (Stock Code: 1041), from March 2020 to July 2020, and an executive director of Zhaobangji Lifestyle Holdings Limited (formerly known as Zhaobangji Properties Holdings Limited), a company listed on the Stock Exchange (Stock Code: 1660), from October 2019 to March 2020. Mr. Xu joined the Company since 4 November 2024.

Independent non-executive Directors

Mr. Jiang Senlin, aged 53, has over 20 years of experience in financial and investment management. He has been the vice-president, chief financial officer and chief executive officer in Wonderland International Asset Management Limited since January 2018. Mr. Jiang worked in Beijing Renge Technology Corp. Ltd* (NEEQ Code: 837824, voluntarily delisted in December 2018) as vice general manager and chief financial officer from September 2015 to December 2017. He also worked as chief financial officer (Asia) in Morningstar, Inc. (NASDAQ: MORN) from August 2009 to September 2015. Mr. Jiang has been an independent non-executive director of China Ruifeng Renewable Energy Holdings Limited, a company listed on the Stock Exchange (Stock Code: 527), since January 2019 and an executive director of Enviro Energy International Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1102), since June 2019 to July 2024, and has been redesignated as a non-executive director since July 2024. From March to June 2022, Mr. Jiang was a non-executive director of Suoxinda Holdings Limited, a company listed on the Stock Exchange (Stock Code: 3680).

Mr. Jiang qualified as an accountant in the People's Public of China in May 1998 and as an intermediate financial officer conferred by the Ministry of Personnel People's Republic of China in November 1997. Mr. Jiang completed his research program in Art and Culture* at Sichuan University in July 2000 and obtained his bachelor's degree in Accountancy at the Central Institute of Finance (now known as the Central University of Finance and Economics) in June 1993. Mr. Jiang joined the Company since 7 September 2023.

Mr. Zhang Yi, aged 44, obtained his bachelor's degree in finance management from Xi'an Jiaotong University in July 2000. Mr. Zhang passed the SAC Securities Industry Professional Level Evaluation Test* by the Securities Association of China* on "securities trading"*, "securities investment analysis"* and "fundamental knowledge in securities market"* in June 2012. He had also passed the AMAC Fund Practitioner Qualification Examination* by Asset Management Association of China* on "fundamental knowledge in security investment funds"* and "laws and regulations, professional ethics and business practices of funds"*, in December 2016. In addition, Mr. Zhang has also been the general manager in Shenzhen Jingshi Culture Media Co., Ltd.* (formerly named as Shenzhen Sanzhi Mingxiang Cultural Media Co., Ltd*) since September 2015. Mr. Zhang joined the Company since 7 September 2023.

Ms. Dan Xi, aged 35, had obtained bachelor's degrees in laws and French from Wuhan University and a master's degree in laws from The Chinese University of Hong Kong in June 2012 and November 2013, respectively. She obtained her practicing license as a fulltime lawyer issued by The Department of Justice, Guangdong in June 2015. Ms. Dan joined Beijing Dacheng Law Offices, LLP (Shenzhen) ("**Beijing Dacheng**") in June 2013 and is currently a deputy director of the dispute resolution department and a senior partner of Beijing Dacheng since 2022 and June 2024, respectively. She also serves as the secretary general of The Appeals and Reconsideration Professional Committee* of the Guangdong Lawyers Association since December 2023. Ms. Dan has been an independent non-executive director of WellCell Holdings Co., Limited, a company listed on the Stock Exchange (Stock Code: 2477), since 22 November 2024. From January 2023 to March 2024, Ms. Dan served as an independent non-executive director of Ruihe Data Technology Holdings Limited (formerly known as Suoxinda Holdings Limited), a company listed on the Stock Exchange (Stock Code: 3680). From January 2021 to January 2023, she was also a commercial mediator in Shenzhen Pingshan District Commercial Mediation Center*. Ms. Dan joined the Company since 4 November 2024.

Business address of the Directors

The business address of the Directors is the same as the Company's principal place of business in Hong Kong at Unit No. 07, 16/F, Emperor Group Center, No. 288 Hennessy Road, Wanchai, Hong Kong.

13. THE AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Mr. Jiang Senlin, Mr. Zhang Yi and Ms. Dan Xi. The primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

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 of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to the paragraph headed "Expert and consent" in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkex1718.hk) from the date of this Prospectus up to and including the date of EGM:

- (i) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (ii) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (iii) the Placing Agreement; and
- (iv) the written consent of the expert referred to in the paragraph headed "Expert and consent" in this appendix.

17. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Wong Kit Ying, who joined the Company in January 2017. She holds a bachelor of accounting degree in the Edinburgh Napier University and is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.
- (d) The English text of this Prospectus shall prevail over the Chinese text in case of inconsistency.