
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "17. 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. The Registrar of Companies in Hong Kong, the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed "Warning of the Risks of Dealing in the Shares and nil-paid Rights Shares" in the "Letter from the Board" of this Prospectus.

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

Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8193)

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

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

The Rights Issue is on a non-underwritten basis. Pursuant to the Company's constitutional document, Companies Law, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in the "Letter from the Board" of this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Thursday, 18 February 2021). The conditions include non-occurrence of force majeure events.

If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Shares have been on an ex-rights basis from Friday, 8 January 2021. Dealings in the Rights Shares in their nil-paid form will take place from Thursday, 21 January 2021 to Thursday, 28 January 2021 (both dates inclusive).

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled or (where applicable) waived (which is expected to be 4:00 p.m. Thursday, 18 February 2021) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Tuesday, 2 February 2021.

The procedures for acceptance and transfer of the Rights Shares are set out in the section headed "Procedures for acceptance and payment or transfer" in the "Letter from the Board" of this Prospectus.

19 January 2021

CHARACTERISTICS OF GEM

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

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

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DEFINITIONS

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

“Announcements”	the announcements of the Company dated 5 November 2020, 11 November 2020 and 24 November 2020 in relation to, among other things, the Increase in Authorised Share Capital and the Rights Issue
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Brilliant One”	Brilliant One Holdings Limited, a beneficial owner of the Company, which is wholly owned by GC Holdings Limited, and which is in turn wholly owned by Mr. Ip
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Capital Reorganisation”	the reorganisation of the share capital of the Company involving the (i) the consolidation of every two (2) issued and unissued existing shares of par value of HK\$0.10 each in the share capital of the Company into one (1) consolidated share of par value of HK\$0.20 each; (ii) the reduction of the par value of each of the then issued consolidated shares from HK\$0.20 to HK\$0.02 by cancelling the paid-up capital to the extent of HK\$0.18 on each of the then issued consolidated shares; and (iii) the sub-division of each of the authorised but unissued consolidated shares of par value of HK\$0.20 each into ten (10) new shares of par value of HK\$0.02 each with effect from 19 November 2020
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“Circular”	the circular of the Company dated 15 December 2020 in relation to, among other things, the Increase in Authorised Share Capital and the Rights Issue
“Company”	Asia-Pac Financial Investment Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8193)
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.26(2) of the GEM Listing Rules
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“COVID-19”	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
“Director(s)”	the director(s) of the Company
“Disposal Agreement”	the agreement dated 7 January 2021 entered into between Zhong Nan Investments Limited, Mr. Zhou Kai, Mr. Li Xuecheng and Mr. Qu Xiaokan in relation to the sale and purchase of 100% of the equity interests in IAM Group Inc.
“EGM”	an extraordinary general meeting of the Company held on 6 January 2021 at which, among other things, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder have been approved
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company

DEFINITIONS

“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares 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
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$100 million divided into 5,000,000,000 Shares to HK\$1,000 million divided into 50,000,000,000 Shares
“Independent Third Party(ies)”	person(s) who is (are) third party(ies) independent of the Company and connected persons of the Company
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Laberie”	Laberie Holdings Limited, a substantial shareholder of the Company, which was wholly owned by SEEC Media Group Limited
“Last Trading Day”	5 November 2020, being the last trading day of the Shares on the Stock Exchange immediately prior to the publishing of the Announcements

DEFINITIONS

“Latest Placing Date”	18 February 2021 or such later date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares
“Latest Placing Time”	5:00 p.m. on the Latest Placing Date
“Latest Practicable Date”	12 January 2021, being the latest practicable date before the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 2 February 2021, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Long Stop Date”	Friday, 19 February 2021 or such later date as may be agreed between the Placing Agent and the Company in writing
“Mr. Ip”	Mr. Ip Kwok Kwong, an executive Director and the Managing Director of the Company
“Net Gain”	any premiums paid by the placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
“No Action Shareholders”	Qualifying Shareholders (excluding Laberie) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Optionholder’s Undertaking(s)”	the undertaking (s) executed on 5 November 2020 by the holders of the Share Options, whereby each of such Share Option holders irrevocably undertake, represent and warrant to the Company that he/she will not exercise such Share Options held by him/her for the period from the date of such undertaking to the Record Date
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Sorrento Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 10.26(2) of the GEM Listing Rules
“Placing Agreement”	the placing agreement dated 5 November 2020 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis

DEFINITIONS

“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed “The Placing Agreement” in this Prospectus
“Placing Period”	a period commencing from the second Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares, which is expected to be Tuesday, 9 February 2021, and ending at the Latest Placing Time
“Poll Results Announcement”	the announcement of the Company dated 6 January 2021 in relation to, among other things, the poll results of the EGM
“Posting Date”	Tuesday, 19 January 2021 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Promissory Notes 1”	the promissory notes issued by the Company with total principal amounts of HK\$110,000,000 to an independent third party as part of the consideration for an acquisition of 80% equity interest in Golden Vault Limited by the Group on 13 November 2014. On 31 March 2020, the Company renewed the promissory notes with the promissory note holder. The promissory notes are interest-bearing at 3% per annum. The maturity date is the date falling three months from 26 March 2021
“Promissory Notes 2”	the promissory notes issued by the Company in an aggregate principal amount of HK\$34,000,000 for the acquisition of additional 19% of the entire issued share capital of Boxin Holdings Limited from an independent third party on 22 October 2015. On 31 March 2020, the Company renewed the promissory notes with the promissory note holder. The promissory notes are interest-bearing at 3% per annum. The maturity date is the date falling 6 months from 3 November 2020

DEFINITIONS

“Prospectus”	this prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and PAL
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Monday, 18 January 2021 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 874,433,790 new Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company, after the Capital Reorganisation became effective
“Share Option Scheme”	the share option scheme of the Company adopted on 18 May 2011
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Shareholder Irrevocable Undertaking”	the irrevocable undertaking executed on 5 November 2020 by Laberie in favour of the Company for taking up all its entitlement to the Rights Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.050 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Arrangements”	the placement of Unsubscribed Rights Shares by the Placing Agent pursuant to the terms of the Placing Agreement, details of which are set out in the section headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares, and the Compensatory Arrangements” in this Prospectus
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

EXPECTED TIMETABLE

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

Event	2021
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Thursday, 21 January
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 25 January
Latest time of dealings in nil-paid Rights Shares	4:00 p.m. on Thursday, 28 January
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Tuesday, 2 February
Announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangement	Monday, 8 February
Commencement of placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Tuesday, 9 February
Latest time of placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Thursday, 18 February
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	Thursday, 18 February
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Friday, 19 February
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed)	On or before Monday, 22 February
Certificates for fully paid Rights Shares to be despatched	On or before Monday, 22 February
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 23 February

EXPECTED TIMETABLE

2021

Designated broker starts to stand in the market to
provide matching services for odd lots of Shares Tuesday, 23 February

Last day for the designated broker to provide
matching services for odd lots of Shares Tuesday, 16 March

Payment of Net Gain to relevant No Action
Shareholders (if any) or Excluded Shareholders (if any). Wednesday, 17 March

All times and dates in this Prospectus refer to Hong Kong local times and dates.

The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.

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:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or
3. 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 either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates of the events subsequent to the Latest Time for Acceptance mentioned in this section may be affected. Announcement will be made by the Company in such event as soon as possible.

LETTER FROM THE BOARD

Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8193)

Executive Directors:

Mr. Ip Kwok Kwong

Mr. Wu Di

Independent non-executive Directors:

Mr. Sek Wai Kit

Mr. So Kwok Yun

Mr. Tang Wai Kee

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

Room 2709, 27th Floor

Shui On Centre, 6-8 Harbour Road

Wanchai, Hong Kong

19 January 2021

*To: the Qualifying Shareholders and, for information purpose only,
the Excluded Shareholders and holders of Share Options*

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcements, the Circular and the Poll Results Announcement in relation to, among other matters, the Rights Issue. On 5 November 2020, the Company proposed to raise up to approximately HK\$43.7 million on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date by issuing 874,433,790 Rights Shares at the Subscription Price of HK\$0.050 per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Subscription Price is payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

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

LETTER FROM THE BOARD

RIGHTS ISSUE

The Board proposed to raise up to approximately HK\$43.7 million on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date by issuing 874,433,790 Rights Shares at the Subscription Price of HK\$0.050 per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date).

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Share held at the close of business on the Record Date
Subscription Price	:	HK\$0.050 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	291,477,930 Shares
Number of Rights Shares	:	Up to 874,433,790 Rights Shares with an aggregate nominal value of approximately HK\$17.5 million, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date
Number of issued shares of the Company upon completion of the Rights Issue	:	Up to 1,165,911,720 Shares, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date
Amount to be raised	:	Up to approximately HK\$43.7 million before expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are 52,469,190 outstanding Share Options, details of the outstanding Share Options are set out below:

Date of grant	Exercisable period	Exercise price	Number of outstanding Share Options as at the Latest Practicable Date
6 January 2012	30 January 2012 to 17 May 2021	3.252	3,690
18 April 2019	18 April 2019 to 17 April 2022	0.558	26,232,750
31 March 2020	31 March 2020 to 30 March 2023	0.228	26,232,750

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 300.00% of the Company's issued share capital as at the Latest Practicable Date and approximately 75% of the Company's issued share capital as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before completion 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, which do not include any Rights Shares to be provisionally allotted to Laberie for which subscription of Rights Shares will be subject to the Shareholder Irrevocable Undertaking as set out in the section headed "The Shareholder Irrevocable Undertaking" in this Prospectus, will be placed to independent places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain 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.

LETTER FROM THE BOARD

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) 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 to the note to Rule 10.26(2) of the GEM Listing Rules.

The Shareholder Irrevocable Undertaking

As at the Latest Practicable Date, Laberie is beneficially interested in 70,000,000 Shares, representing approximately 24.02% of the existing issued share capital of the Company. Pursuant to the Shareholder Irrevocable Undertaking, Laberie has provided an irrevocable undertakings to the Company, among other things, (i) to take up all of the assured entitlements to the Rights Shares in respect of Shares beneficially owned by Laberie as at the date of the Shareholder Irrevocable Undertaking pursuant to the terms of the Rights Issue provided that the total number of Rights Shares to be subscribed by Laberie under the Rights Issue will be scaled down to the extent that Laberie will not trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) Laberie will not dispose of or transfer any interests in the Company (including Shares) from the date of the Shareholder Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Save for the Shareholder Irrevocable Undertaking, the Board has not received any information or irrevocable undertaking from any substantial shareholders of the Company of their intention in relation to the Rights Shares to be allotted to them as at the Latest Practicable Date.

The Optionholder's Undertakings

As at 5 November 2020, being the date of the Placing Agreement, each of the holders of the Share Options (including four Directors) has signed an Optionholder's Undertaking for not exercising the Share Options granted to him/her on or before the Record Date.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.050 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 23.1% to the closing price of HK\$0.0650 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 10.7% to the closing price of HK\$0.0560 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 2.9% to the theoretical ex-rights price of approximately HK\$0.0515 per Share based on the closing price of HK\$0.0560 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a discount of approximately 13.2% to the average of the closing prices of approximately HK\$0.0576 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (e) a discount of approximately 13.5% to the average of the closing prices of approximately HK\$0.0578 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day; and
- (f) a discount of approximately 88.2% to the adjusted consolidated net asset value per consolidated share of approximately HK\$0.4237 (based on the consolidated net asset value of the Company as at 31 March 2020 of approximately HK\$123,502,000 and the number of issued consolidated shares after the Capital Reorganisation, which is 291,477,930).

LETTER FROM THE BOARD

The Subscription Price was determined by the Company with reference to, among other things, the recent market price of the Shares since October 2020 and up to the Last Trading Day which were generally approximately HK\$0.063 per Share and a discount with reference to the recently completed rights issue exercises announced by companies listed on the Stock Exchange, the prevailing market conditions, the loss attributable to owners of the Company of approximately HK\$126.5 million for the financial year ended 31 March 2020, the amount of funds and capital needs and the reasons for the Rights Issue as set out in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in this Prospectus. All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

The Directors noted that the Subscription Price represents a discount of approximately 88.2% to the audited net asset value per Share as at 31 March 2020. Given that (i) the Shares were traded at a deep discount to the audited net asset value per Share for the last year and up to the Last Trading Day; and (ii) the recent market price of the Shares have already reflected the expectation of the investors to the Company (such as its financial results and corporate actions) and the recent market sentiment, the Directors consider that it is reasonable to make reference to the market price of the Share, rather than the audited net asset value per Share, in determining the Subscription Price and that the discount of the Subscription Price to the audited net asset value per Share is justifiable.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 75.0%. The theoretical dilution effect of the Rights Issue is approximately 10.3% which is below 25% as required under Rule 10.44A of the GEM Listing Rules.

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The Directors (including the independent non-executive Directors) are of the view that the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders, and that all Qualifying Shareholders are treated equally. The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) is estimated to be approximately HK\$0.0483, if fully subscribed.

Basis of provisional allotments

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

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

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience 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.**

Rights of Overseas Shareholders (if any)

As at the Latest Practicable Date, there are four Shareholders with registered address in the PRC (as shown on the register of members of the Company).

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

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only, but will not send any PAL to them.

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Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form during the period from 9:00 a.m. on Thursday, 21 January 2021 to 4:00 p.m. on Thursday, 28 January 2021 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Excluded Shareholders.

In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

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

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Distribution of the Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Excluded Shareholders (if any). The Company will not send any PALs to the Excluded Shareholders (if any).

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or beneficial owner of the Shares who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

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Receipt of this Prospectus and/or a PAL or the crediting of Nil Paid Rights to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the Nil Paid Rights to any person in, into or from, any such jurisdiction. If a PAL or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL or transfer the Nil Paid Rights in CCASS unless the Company determines that such action would not violate any applicable legal or regulatory requirements.

Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company.

Beneficial owners of the Shares who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, Nil Paid Rights or fully-paid Rights Shares or to take up any entitlements to Nil Paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Status of Rights Shares

The Rights Shares, when allotted 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 are declared, made or paid, on or after the record date of which is after the date of allotment of the Rights Shares in their fully-paid form. 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.

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Fractions of the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares 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.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Tuesday, 2 February 2021 (or, under bad weather conditions, such later time and/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 cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED – RIGHTS ISSUE" and crossed "ACCOUNT PAYEE ONLY". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 2 February 2021, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole 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 the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to Qualifying Shareholder(s) only if the overpaid amount is HK\$100 or above. No receipt will be issued in respect of any PAL and/or relevant remittance received.

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 entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 25 January 2021 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day following the

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surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

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.

The Registrar will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration request received by the Registrar on or before the latest time for acceptance of and payment for Rights Shares and by all means before the announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements is posted on the Stock Exchange’s website and the Company’s website. The Registrar should notify the transferee(s) of any unsuccessful re-registration as soon as possible.

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” of this Prospectus is not fulfilled at or before 4:00 p.m. on Thursday, 18 February 2021 or such later date as may be considered by the Company, 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 before Monday, 22 February 2021.

Cheques and banker’s cashier orders

All cheques and banker’s cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or banker’s cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker’s cashier order will be honoured upon first presentation. If any cheque or banker’s cashier order is not honoured upon first presentation, the PAL (as the case may be) is liable to be rejected and/or deemed invalid by the Company in its absolute discretion, and in the case of an acceptance of a Qualifying Shareholder’s assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

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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 Shares 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 CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

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

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 5:00 p.m., on Thursday, 18 February 2021, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price.

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

- (i) 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 (unless that person is covered by (iii) below);
- (ii) 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 (unless that person is covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

On 5 November 2020 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date	:	5 November 2020 (after trading hours)
Issuer	:	the Company
Placing Agent	:	Sorrento Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected persons or any of their respective associates.

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- Placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares shall be not less than the Subscription Price.
- The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the process of placement.
- Commission : 2.5% of the amount which is equal to the Placing Price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
- The commission is not payable by the Company to the Placing Agent if the Placing Agreement has not become unconditional or is otherwise terminated in accordance with its terms.
- Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case maybe) : The placing price of each of the Unsubscribed Rights Shares and/or the ES Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price.
- The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies).
- Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares : Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

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Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

(i) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

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

Termination : The Placing Arrangement shall end on Thursday, 18 February 2021 or any other date by mutual written agreement between the Placing Agent and the Company.

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The engagement of the Placing Agent may also be terminated by Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Placing Completion : Completion is expected to take place within six Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

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The engagement between the Company and the Placing Agent for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of Placing Agreement for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 10,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any stock exchange other than the Stock Exchange.

Rights Shares will be eligible for admission in CCASS

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the 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 on the Stock Exchange or such other dates as determined by HKSCC.

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

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Stamp duty and other applicable fees

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

Taxation

Shareholders are advised to consult their professional advisers if they are in 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.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on or before Monday, 22 February 2021 by ordinary post to the allottees, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the EGM of the necessary resolution(s) to approve the Increase in Authorised Share Capital, the Rights Issue, and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (b) the Capital Reorganisation having become effective;
- (c) the Increase in Authorised Share Capital of the Company having become effective;
- (d) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

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- (e) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong respectively all documents relating to the Rights Issue which are required to be filed or registered in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules;
- (f) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus and the Overseas 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 by the Prospectus Posting Date; and
- (g) compliance with and performance of all undertakings and obligations of Laberie under the Shareholder Irrevocable Undertaking in all material respects.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. As at the Latest Practicable Date, conditions (a), (b) and (c) as stated above have been satisfied.

As the Rights Issue is subject to the above conditions, it may or may not proceed.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Tuesday, 23 February 2021 to Tuesday, 16 March 2021 (both dates inclusive). Shareholders who wish to take advantage of this service should contact Sorrento Securities Limited at 11/F, The Wellington, 198 Wellington Street, Central, Hong Kong or at telephone number (852) 3959 9800 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Shareholders who are in doubt about this service are recommended to consult their professional advisors.

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SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 291,477,930 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Laberie who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Laberie who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		Assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Laberie who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Laberie who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	Number of Shares	Approx.% (note)	Number of Shares	Approx.% (note)	Number of Shares	Approx.% (note)	Number of Shares	Approx.% (note)
Brilliant One	15,542,500	5.33	62,170,000	5.33	15,542,500	4.91	15,542,500	1.33
Laberie	70,000,000	24.02	280,000,000	24.02	94,890,000	29.99	280,000,000	24.02
Public Shareholders	205,935,430	70.65	823,741,720	70.65	205,935,430	65.09	205,935,430	17.66
Independent places	-	-	-	-	-	-	664,433,790	56.99
Total	291,477,930	100.00	1,165,911,720	100.00	316,367,930	100.00	1,165,911,720	100.00

Notes:

The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

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

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the asset appraisal related businesses. The Company operates through four business segments. The asset advisory services and asset appraisal segment is engaged in the provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument valuation and advisory services. The corporate services and consultancy segment is engaged in the provision of company secretarial services, human resources management, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services. The media advertising segment is engaged in the provision of media advertising business services through in-elevator poster frames network and liquid-crystal displays network inside elevators or lobbies of middle to high-end residential community. The financial services segment is engaged in the provision of (i) financial credit services such as personal loans and commercial loans to individuals and corporations; and (ii) securities broking and trading of securities.

For the three years ended 31 March 2020, the Group recorded (i) revenue of approximately HK\$59.3 million, HK\$52.6 million and HK\$45.9 million respectively; and (ii) loss from operation of approximately HK\$116.9 million, HK\$26.6 million and HK\$75.6 million respectively. As a result, the Group recorded loss for the year of approximately HK\$176.2 million, HK\$65.0 million and HK\$129.0 million respectively for the corresponding years. During the six months ended 30 September 2020, the Group recorded (i) unaudited revenue of approximately HK\$22.0 million as compared to approximately HK\$25.5 million for the same period in 2019; and (ii) unaudited profit for the period of approximately HK\$4.0 million as compared to unaudited loss of approximately HK\$42.2 million for the same period in 2019. As mentioned in the annual report of the Company for the year ended 31 March 2020 (the “**2020 Annual Report**”), although the outbreak of COVID-19 in early 2020 severely affected the economic activities in PRC and even the whole world, most of the projects performed by the Group were obtained before the outbreak and the Group has taken effective measures to ensure the implementation of the projects. As a result, the Group’s operating performance was not significantly affected by the epidemic. The Group will continue to keep track of the epidemic development and react proactively to its possible impact on the performance of the Group.

As set out in the 2020 Annual Report, the Group recorded bank balances and cash of approximately HK\$10.3 million, total borrowings (comprising borrowings and promissory notes) of approximately HK\$65.9 million, and a net gearing ratio, which is defined as net debt (total borrowings net of cash and bank balances) over total equity, of 0.51 as at 31 March 2020. As at 31 March 2020, the borrowings represented bank loan of approximately HK\$1.4 million, bank overdrafts of approximately HK\$3.3 million, other loan payable within 1 year of approximately HK\$4.0 million, and promissory notes comprising of Promissory Notes 1 of approximately HK\$21.2 million and Promissory Notes 2 of approximately HK\$36.0 million.

LETTER FROM THE BOARD

The Board considers that the Rights Issue represents an opportunity for the Company to repay the borrowings from the independent third parties to be due so as to relieve its financial burden and reduce future financing costs.

It is estimated that the Company will raise up to approximately HK\$43.7 million from the Rights Issue and the relevant expenses would be up to approximately HK\$1.5 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated net proceeds from the Rights Issue will accordingly be up to approximately HK\$42.2 million (equivalent to a net price of approximately HK\$0.0483 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:-

- (i) approximately HK\$37.2 million towards repayment of the Promissory Notes 2; and
- (ii) the remaining amount towards general working capital of the Group.

Repayment of the Promissory Notes 2

The Directors intend to apply approximately HK\$37.2 million towards repayment of the Promissory Notes 2 as below:

Creditors	Principal amount	Maturity Date	Interest Rate (<i>p.a.</i>)	Accrued interest as at the maturity date	Total Outstanding amount as at the maturity date
Nowry Holdings Limited	HK\$34,000,000	2 May 2021	3.00%	HK\$3,230,000	HK\$37,230,000

Note:

- (1) As disclosed in the announcements of the Company dated 22 July 2015 and 22 October 2015 respectively, Zhong Nan Investments Limited, a wholly-owned subsidiary of the Company acquired additional 19% of issued share capital of Boxin Holdings Limited for the consideration of HK\$34,000,000, which was settled by the issuance of the promissory notes by the Company to the Mr. Choi Kee Yuen, a 45% legal and beneficial owner of Boxin Holdings Limited.
- (2) In March 2018, Mr. Choi Kee Yuen transferred its entire interest in the Promissory Note 2 to Nowry Holdings Limited.
- (3) On 31 March 2020, the Company renewed the Promissory Notes 2 with the promissory notes holder. The Promissory Notes 2 are interest-bearing at 3% per annum. The maturity date is the date falling 6 months from 3 November 2020.

LETTER FROM THE BOARD

As set out in the 2020 Annual Report, the finance cost of the Group was approximately HK\$2.3 million for the year ended 31 March 2019 and approximately HK\$4.0 million for the year ended 31 March 2020. There is an increasing trend of the finance cost of the Group. The gearing ratio of the Group as at 31 March 2020 was 0.51 (2019: 0.23).

Having considered the above, the Group intends to use approximately HK\$37.2 million, or approximately 88.2% of the net proceeds from the Rights Issue to settle the Promissory Notes 2 and the accrued interest up to the maturity date. As Promissory Note 2 is interest-bearing and forms part of the Group's total liabilities, the Company's interest expenses and liabilities will be reduced by repayment of the Promissory Note 2 through the application of the proceeds from the Rights Issue. This allows the Group to (i) significantly improves the Group's liquidity; and (ii) reduce future financing cost of the Group.

General working capital

Compared with other types of assets, working capital provides necessary liquidity guarantees for the Company to maintain daily operations such as covering rental, utilities, salaries and remuneration, and other legal and professional expenses, etc. It is crucial for the Company to have the ability and flexibility to respond to the changing market conditions in a timely manner and to have readily available cash resources at reasonable cost as assessed by the Directors from time to time. Therefore, the Directors consider it is necessary to apply certain proceeds from the Rights Issue towards general working capital.

The Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

If the Rights Issue is undersubscribed and the net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) is less than HK\$37.2 million, all of the net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) will be applied towards the repayment of the Promissory Notes 2. If the Rights Issue is undersubscribed and the net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) is more than HK\$37.2 million, HK\$37.2 million of the net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) will be applied towards the repayment of the Promissory Notes 2 and the remaining net proceeds will be utilised for general working capital of the Group. As at the Latest Practicable Date, the Company has no intention to conduct further fundraising activities in near future.

LETTER FROM THE BOARD

Alternative fund-raising methods considered

The Directors have considered other financing alternatives including (i) other debt financing, and (ii) equity fund raising such as placement of new Shares and open offer. The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole, for the reasons as follows:

- a) As for other debt financing, as at the Latest Practicable Date, the Board has attempted to obtain loan financing from its principal bankers, and was advised that the Group does not have any material assets which the Group can charge to the banks as security, therefore, the credit line granted by the banks (if any) will not be sufficient for the Group to replace any of the borrowings. In addition, the Group has also attempted to obtain other loan financing from independent third parties, but the interest rate offered is generally over 10% per annum.
- b) As for placement of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company.
- c) As for open offer, similar to a right issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

As such, the Board considers that equity financing does not involve recurring interest expense and the financing process is usually simpler and quicker than negotiating bank borrowings, and therefore would allow our Group to react promptly to market conditions and business opportunities.

In addition, the Board considers that the terms of the Rights Issue and Placing Arrangement are fair and reasonable and in the best interest of the Company and Shareholders as a whole since (i) under the Rights Issue, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Group and the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Rights Shares; and (ii) the Shareholders who do not want to participate in the Rights Issue can dispose of the nil-paid Rights Shares in the secondary market for their own economic benefit. Although the Rights Issue on a non-underwritten basis may not raise sufficient funds to satisfy the funding needs as aforementioned, taking into account that (i) the placing obligation of the Placing Agent are more or less similar to an underwriter of the Rights Issue (except that the Placing Agent is on best effort basis) and therefore adopting the Placing Arrangement simultaneously would help to maximise the funds to be raised; (ii) the Company will raise certain funds from the Rights Issue under the Shareholder Irrevocable Undertaking; (iii) the Company was not able to secure any underwriter who was willing to underwrite the Rights Shares; (iv) the recent rights issue exercises conducted by companies listed on the Stock Exchange whereby the Unsubscribed Rights Shares and ES Unsold Right Shares have been more or less fully placed by the placing agents; and (v) the implied cost of the Rights Issue of approximately 3.4% (being the percentage of total estimated expenses to

LETTER FROM THE BOARD

the gross proceeds of the Rights Issue, assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent) is lower than the interest rates of the other loan financing from independent third parties, which range from approximately 2.5% to 36% per annum, the Board considers that the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date.

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group which includes, but is not limited to, the following:

Risks relating to asset advisory services and asset appraisal business

The asset advisory services and asset appraisal business of the Group is based in Hong Kong and the PRC. The Group's success relies, to a significant extent, on the experience and knowledge of the Group's professional staff and senior management. The Group cannot prevent staff from terminating their respective contracts in accordance with the relevant agreed conditions nor can the Group prevent staff from leaving and setting up business in competition with the Group. The loss of the services of one or more members of the Group's key personnel due to their departure or other reasons, if the Group fails to replace any vacancy by recruiting new competent personnel with relevant experience and knowledge in the market, and/or employees leaving and setting up business in competition with the Group could adversely and significantly affect the Group's operation and financial position.

Risks relating to financial services business

The Group's financial services segment is engaged in the provision of (i) financial credit services such as personal loans and commercial loans to individuals and corporations; and (ii) securities broking and trading of securities. Any sudden downturn in the global economic and sudden change in political environment, which are beyond the control of the Group, may adversely affect the financial market sentiment. Severe fluctuation in market and economic sentiments may also lead to a prolonged period of sluggish market activities which would in turn incur adverse impact on the business and operating performance of the Group. As such, the revenue and profitability of the Group may fluctuate and there is no assurance that the Group will be able to maintain our historical financial results under difficult or unstable economic conditions.

LETTER FROM THE BOARD

In addition, the Hong Kong financial market in which the Group operate is highly regulated. There are changes in rules and regulations from time to time in relation to the regulatory regime for the financial services industry, including but not limited to, the SFO, the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time, the GEM Listing Rules, the trading rules of the Stock Exchange and the Takeovers Code. Any such changes might result in an increase in the cost of compliance, or might restrict the business activities of the Group. In case the Group fails to comply with the applicable rules and regulations from time to time, it might result in fines, restrictions on the Group's activities or even suspension or revocation of some or all of the licences for carrying on the business activities of the Group. Accordingly, the business operation and financial results might be materially and adversely affected.

Regarding the Group's financial services segment which is subject to risks that a customer or counterparty may fail to perform its contractual obligations or that the value of collateral held to secure the obligations might be inadequate. While the Group has internal policies and procedures designed to manage such risks, these policies and procedures may not be fully effective. Any material non-payment or non-performance by a customer or counterparty could adversely affect the Group's financial position, results of operations and cash flows. In addition, both businesses are highly pegged with the fluctuation of interest rates and change of monetary policies, which may be affected due to the economic, political and social conditions both locally and globally and are beyond the Group's control.

POSSIBLE ADJUSTMENTS RELATING TO THE SHARE OPTIONS

As at the Latest Practicable Date, there were 52,469,190 outstanding Share Options.

Pursuant to the terms of the Share Option Scheme, the terms, the exercise prices and/or number of new Shares to be issued upon exercise of the Share Options may be adjusted in accordance with the Share Option Scheme, if any, upon the Rights Issue becoming unconditional. The Company will notify the holders of the Share Options the adjustments upon the Rights Issue becoming unconditional by further announcement, if necessary.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this Prospectus. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

LETTER FROM THE BOARD

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. In the event the Rights Issue is undersubscribed, any subscribed Rights Shares will be placed to independent places under the Unsubscribed Arrangements. Any Unsubscribed Rights Shares not placed under the Unsubscribed Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

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

ADDITIONAL INFORMATION

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

For and on behalf of the Board
Asia-Pac Financial Investment Company Limited
Ip Kwok Kwong
Executive Director and Managing Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited financial information of the Group for each of the years ended 31 March 2018, 2019 and 2020 and the unaudited financial information of the Group for the three months ended 30 June 2020 and six months ended 30 September 2020 are disclosed in the following annual reports of the Company for the years ended 31 March 2018, 2019 and 2020, first quarterly report of the Company for the three months ended 30 June 2020 and interim report of the Company for the six months ended 30 September 2020 respectively which have been published and are available on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.gca.com.hk):

- (a) the annual report of the Company for the year ended 31 March 2018 published on 25 June 2018 (pages 32 to 102) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0628/gln20180628253.pdf>);
- (b) the annual report of the Company for the year ended 31 March 2019 published on 21 June 2019 (pages 32 to 114) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0626/gln20190626059.pdf>);
- (c) the annual report of the Company for the year ended 31 March 2020 published on 23 June 2020 (pages 34 to 132) in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0629/2020062900678.pdf>);
- (d) the first quarterly report of the Company for the three months ended 30 June 2020 published on 10 August 2020 in relation to the financial information of the Group for the same period (<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0813/2020081300538.pdf>); and
- (e) the interim report of the Company for the six months ended 30 September 2020 published on 11 November 2020 in relation to the financial information of the Group for the same period (<https://www1.hkexnews.hk/listedco/listconews/gem/2020/1113/2020111300416.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2020, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Bank and other borrowings

	<i>Approximate HK\$'000</i>
Bank loan (<i>note 1</i>)	1,201
Bank overdrafts – on demand (<i>note 1</i>)	441
Other loans repayable within 1 year (<i>note 2</i>)	<u>4,000</u>
	<u><u>5,642</u></u>

Notes:

1. As at 30 November 2020, the Group's bank loan and bank overdrafts were secured by deposits placed for life insurance.
2. As at 30 November 2020, the Group's other loans were secured by personal guarantee of a director, Mr. Ip Kwok Kwong.

Lease liabilities

The Group measures the lease liabilities at the present value of the remaining lease payments for certain office premises, discounted by the Group's incremental borrowing rates under HKFRS 16. As at 30 November 2020, the Group had lease liabilities amounting to HK\$4,184,000 which classified under current liabilities.

Promissory notes

As at 30 November 2020, the outstanding amounts of the Group's promissory notes amounted to HK\$58,320,000. These promissory notes are interest-bearing at 3% per annum with maturity within 1 year.

Disclaimers

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 30 November 2020, 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 issued and outstanding or agreed to be issued, bank overdrafts, 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 30 November 2020; (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. MATERIAL ADVERSE CHANGE

Save for the information disclosed in the profit warning announcement of the Company dated 16 June 2020, as at the Latest Practicable Date, the Directors confirm that there have been no material adverse changes in the financial or trading position of the Group since 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. WORKING CAPITAL

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

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company, along with its subsidiaries, is principally engaged in the asset appraisal related businesses. The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services.

Looking ahead, the revenue from each of the sectors of asset advisory and corporate consultancy services remains promising with a steady demand for professional commercial services in the PRC, Taiwan, Hong Kong and Macau (together, the “**Greater China**”). As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo restructuring, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain high. In view of the Group’s existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

Due to the keen competition in the media advertising industry in the PRC and reduced demand from freezing of marketing spend in view of outbreak of COVID-19, the Group will dedicate even more efforts to broaden its customer base, improve cost control and actively adjust the business strategy in respond to COVID-19 and latest market changes.

The financial services segment is expected to be challenging in coming year. The Group will continue its effort to enhance our competitiveness within the ever changing industry and economy. The securities broking and trading of securities business is targeted to be disposed by the coming year in order to streamline the Group’s structure and to further enhance the financial position of the Group and better utilise the Group’s financial resources. Unforeseen delay was caused by the COVID-19 epidemic, the Group is in progress of seeking and negotiating with potential buyers.

The outbreak of COVID-19 in early 2020 severely affected the economic activities in PRC and even the whole world. The Group’s operating performance was affected by the epidemic, yet the Group has taken effective measures to ensure the implementation of the projects. Taking into account the uncertainty of the duration of the epidemic and the implementation of the preventive measures against the spread of the epidemic, the Group’s future operating performance may still be affected by changes in the future economic conditions and the extent of the impact cannot be predicted as at the Latest Practicable Date. The Group will continue to keep track of the epidemic development and react proactively to its possible impact on the performance of the Group.

The Group will closely monitor its cash position, and will continue to seek investment and business opportunities, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the Shareholders.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2020 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circular” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effects of the Rights Issue, on the unaudited consolidated net tangible assets of the Group as at 30 September 2020 attributable to the owners of the Company, as if the Rights Issue had taken place on such date.

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 consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2020 or any future date following the Rights Issue.

The following Unaudited Pro Forma Financial Information as at 30 September 2020 is prepared based on the unaudited consolidated net tangible assets of the Group which is extracted from the interim report of the Company for the six months ended 30 September 2020, and adjusted as described below.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2020 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets attributable to the owners of the Company per Share as at 30 September 2020 <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share immediately after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 874,433,790 Rights Shares at Subscription Price of HK\$0.05 per Rights Share	<u>79,854</u>	<u>42,222</u>	<u>122,076</u>	<u>0.27</u>	<u>0.10</u>

Notes:

- (1) The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2020 is extracted from the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 September 2020 of approximately HK\$123,050,000 as adjusted by exclusion of goodwill of approximately HK\$43,196,000 as shown on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2020 has been extracted from the published interim report of the Company for the six months ended 30 September 2020.
- (2) The estimated net proceeds from the Rights Issue are based on a total of 874,433,790 Rights Shares (assuming no new Shares are issued and no repurchase of Shares on or before the Record Date) to be issued on the basis of three Rights Shares for each existing Share at the Subscription Price of HK\$0.05 per Rights Share and after deduction of estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue of approximately HK\$1,500,000.
- (3) The unaudited consolidated net tangible assets per share attributable to the owners of the Company was HK\$0.27, which is based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2020 of approximately HK\$79,854,000 and 291,477,930 Shares in issue as at 30 September 2020.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue of approximately HK\$0.10 is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue, which is arrived at after aggregating the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$79,854,000 and the estimated net proceed of approximately HK\$42,222,000 from the Rights Issue (note 2 above) divided by 1,165,911,720 Shares which comprise 291,477,930 Shares in issue before completion of the Rights Issue and 874,433,790 Rights Shares (assuming no new Shares are issued and no repurchase of shares on or before the Record Date) were issued immediately after completion of the Rights Issue, as if the Rights Issue had been completed on 30 September 2020.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 September 2020.

**B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

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



3th Floor
Winbase Centre
208 Queen’s Road Central,
Hong Kong

19 January 2021

The Board of Directors
Asia-Pac Financial Investment Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asia-Pac Financial Investment Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 September 2020 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 19 January 2021 (the “**Prospectus**”). 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 of the Company to illustrate the impact of the proposed right issue on the basis of three rights shares for each existing share at the subscription price of HK\$0.05 per rights share (the “**Rights Issue**”) as if the Rights Issue had taken place on 30 September 2020. As part of this process, information about the Group’s net tangible assets as at 30 September 2020 has been extracted by the directors from the Group’s condensed interim financial information for the six months ended 30 September 2020 included in the interim report of the Group for the six months ended 30 September 2020, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

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

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

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 September 2020 would have been as presented.

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

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

The procedures selected depend on the reporting accountant's 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 by the director of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Hong Kong

Lo Ka Ki

Audit Engagement Director

Practising Certificate Number – P06633

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL AND OPTIONS**(a) Share capital**

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue and full acceptance by Qualifying Shareholders) are as follows:

(I) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>50,000,000,000</u>	Shares of HK\$0.02 each	<u>1,000,000,000</u>
<i>Issued and fully-paid:</i>		
<u>291,477,930</u>	Shares of HK\$0.02 each	<u>5,829,559</u>

(II) Immediately following the completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>50,000,000,000</u>	Shares of HK\$0.02 each	<u>1,000,000,000</u>
 <i>Issued and fully-paid:</i>		
<u>291,477,930</u>	Shares of HK\$0.02 each	<u>5,829,558</u>
<u>874,433,790</u>	Rights Shares to be issued pursuant to the Rights Issue	<u>17,488,676</u>
<u>1,165,911,720</u>	Shares in issue immediately after completion of the Rights Issue	<u>23,318,234</u>

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

Save as the Share Options, as at the Latest Practicable Date, the Company did not have any outstanding derivatives, options, warrants and convertible securities or other similar rights which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

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

(b) Share Options

Details of the outstanding Share Options as at the Latest Practicable Date were as follows:

Name of grantee	Number of underlying Shares subject to outstanding Share Options	Date of grant	Exercise price (HK\$ per Share)	Exercise Period
Directors				
Mr. Ip Kwok Kwong	2,914,750	18 April 2019	0.558	18 April 2019 to 17 April 2022
Mr. Wu Di	2,914,750	18 April 2019	0.558	18 April 2019 to 17 April 2022
Mr. Tang Wai Kee	2,914,750	31 March 2020	0.228	31 March 2020 to 30 March 2023
Mr. So Kwok Yun	2,914,750	31 March 2020	0.228	31 March 2020 to 30 March 2023
Employees				
	3,690	6 January 2012	3.252	30 January 2012 to 17 May 2021
	8,744,250	18 April 2019	0.558	18 April 2019 to 17 April 2022
	20,403,250	31 March 2020	0.228	31 March 2020 to 30 March 2023
Other eligible participants	11,659,000	18 April 2019	0.558	18 April 2019 to 17 April 2022
Total	<u>52,469,190</u>			

Save as disclosed above, as at the Latest Practicable Date, the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

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

3. INTEREST IN SECURITIES

(a) Directors' and chief executive's interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Name of Director	Capacity	Number of issued Shares held	Interest in underlying Shares of Share Options	Approximate percentage of total issued shares
Mr. Ip Kwok Kwong	Interest in controlled corporation and beneficial owner	15,542,500 (Note 2)	2,914,750 (Note 3)	6.33%
Mr. Wu Di	Beneficial owner	–	2,914,750 (Note 3)	1.00%
Mr. So Kwok Yun	Beneficial owner	–	2,914,750 (Note 4)	1.00%
Mr. Tang Wai Kee	Beneficial owner	–	2,914,750 (Note 4)	1.00%

Notes:

- The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2020 (i.e. 291,477,930 Shares).
- 15,542,500 shares were held by Brilliant One which was wholly owned by GC Holdings Limited. GC Holdings Limited was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the shares held by Brilliant One.
- Mr. Ip and Mr. Wu Di, executive Directors were granted the options under the share option scheme of the Company on 18 April 2019 at an exercise price of HK\$0.558 per share with the exercisable period from 18 April 2019 to 17 April 2022 (both dates inclusive).
- Mr. So Kwok Yun and Mr. Tang Wai Kee, Independent non-executive Directors were granted the options under the share option scheme of the Company on 31 March 2020 at an exercise price of HK\$0.228 per Share with the exercisable period from 31 March 2020 to 30 March 2023 (both dates inclusive).

(b) Interests of substantial shareholders

Save as disclosed below, as at the Latest Practicable Date, the Company had not been notified by any corporation which or persons who (other than a Director or the chief executive of the Company) who had interests or short positions in the shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

Name of Shareholders	Capacity	Number of issued Shares held	Approximate percentage of total issued shares
Brilliant One	Beneficial owner	15,542,500	5.33%
GC Holdings Limited	Interest in a controlled corporation	15,542,500	5.33%
Laberie	Beneficial owner	70,000,000	24.02%
SEEC Media Group Limited	Interest in a controlled corporation	70,000,000	24.02%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2020 (i.e. 291,477,930 Shares).
2. Brilliant One was wholly owned by GC Holdings Limited. GC Holdings Limited was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the shares held by Brilliant One.
3. Laberie was wholly owned by SEEC Media Group Limited. By virtue of the SFO, SEEC Media Group Limited was deemed to be interested in all the shares held by Laberie.

4. 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).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business which competed, or might compete, either directly or indirectly, with the business of the Group pursuant to the GEM Listing Rules.

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct and indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2020, being the date to which the latest published audited financial statements of the Company were made up.

7. MATERIAL LITIGATION

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

8. MATERIAL CONTRACTS

Save as disclosed below, there had been no contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by members of the Group, entered into by members of the Group after the date falling two years immediately preceding the date of the Announcements and up to the Latest Practicable Date:

- (a) the Placing Agreement;
- (b) the Disposal Agreement.

9. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Laberie which has provided the Shareholder Irrevocable Undertaking and placing all Unsubscribed Rights Shares and ES Unsold Rights Shares by Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$1.5 million, which are payable by the Company.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	Mr. Ip Kwok Kwong 2/F, House No. 10, Chung Shan Terrace Lai Chi Kok, Kowloon, Hong Kong
		Mr. Wu Di Room 104, No. 11 237 Feihong Road, Hongkou District, Shanghai City, China
		Mr. Sek Wai Kit Room 2401, 24/F, Yat Shing House, Block B, May Shing Court, Tai Wai, New Territories, Hong Kong
		Mr. So Kwok Yun Room 2604, Building No. 1, 1155 North Shaanxi Road, Jingan District, Shanghai, China
		Mr. Tang Wai Kee Flat D, 13/F, Block 8, Sea Crest Villa, Phase III, Tsing Lung Tau, New Territories, Hong Kong

Registered office	:	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	:	Room 2709, 27th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Placing Agent	:	Sorrento Securities Limited 11/F, The Wellington, 198 Wellington Street, Central, Hong Kong
Financial adviser to the Company	:	Sorrento Capital Limited 11/F, The Wellington, 198 Wellington Street, Central, Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue	:	Justin Chow & Co. Solicitors LLP 5A, Chung Hing Commercial Building 62-63 Connaught Road Central Central, Hong Kong
Reporting accountant	:	McMillan Woods (Hong Kong) CPA Limited 3/F., Winbase Centre 208 Queen's Road Central Hong Kong

Principal bankers in Hong Kong	:	The Hongkong and Shanghai Banking Corporation Limited OCBC Wing Hang Bank Limited
Principal share registrar	:	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	:	Tricor Investor Services Limited Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Authorised representatives	:	Ms. Cheng Lucy 31/F., 148 Electric Road, North Point, Hong Kong Mr. Ip Kwok Kwong 2/F, House No.10, Chung Shan Terrace Lai Chi Kok, Kowloon, Hong Kong
Company secretary	:	Ms. Cheng Lucy 31/F., 148 Electric Road, North Point, Hong Kong
Compliance officer	:	Mr. Ip Kwok Kwong 2/F, House No.10, Chung Shan Terrace Lai Chi Kok, Kowloon, Hong Kong

11. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Sek Wai Kit (the Chairman of the Audit Committee), Mr. So Kwok Yun and Mr. Tang Wai Kee. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “13. Particulars of the Directors and Company Secretary” in this appendix.

The primary role and function of the Audit Committee are to oversee the relationship with the external auditors, to review the Group’s preliminary quarterly results, interim results and annual results and to monitor compliance with statutory and listing requirements.

12. EXPERT AND CONSENT

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

Name	Qualification
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert:

- (a) has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter or opinions or advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, 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; and
- (c) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, the above expert was not materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

13. PARTICULARS OF THE DIRECTORS AND COMPANY SECRETARY**Executive Directors**

Mr. Ip Kwok Kwong, aged 60, is one of the founding directors of the Group and was appointed as an executive Director and the managing director of the Company (the “**Managing Director**”) in December 2010. He is the compliance officer and an authorised representative of the Company. He is also a member of each of the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Board, and a director of certain subsidiaries of the Company. Mr. Ip is responsible for overall management and development including frontline co-ordination with clients, organisations as well as formulation of development strategy of the Group. Professionally, Mr. Ip is a Chartered Valuation Surveyor, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance of Hong Kong and a Registered Business Valuer of the Hong Kong Business Valuation Forum. Mr. Ip was appointed as a committee member of the People’s Political Consultative Conference of Harbin, the PRC in the second half of 2011 after having received the Outstanding Entrepreneurship Award from the Enterprise Asia, a non-governmental organisation for entrepreneurship in mid-2011. He is now a vice president of Asia Pacific Professional Managers Association.

Mr. Wu Di (“**Mr. Wu**”), aged 40, was appointed as a non-executive Director on 20 November 2014 and redesignated as an executive Director on 20 July 2015. He was appointed as a member of each of the Remuneration Committee and the Nomination Committee on 10 May 2017. Mr. Wu is a director of certain subsidiaries of the Company. He holds a bachelor’s degree in business administration from the Dongbei University of Finance and Economics (東北財經大學) in the PRC. He has about 16 years of experience in strategic planning, corporate management and business development. He has worked for various corporations and held management positions.

Independent non-executive Directors

Mr. Sek Wai Kit (“**Mr. Sek**”), aged 39, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee on 31 October 2020. He holds a Bachelor of Business (Accounting) degree from the Australian Catholic University in 2004. He has been a member of CPA Australia since 2009. Mr. Sek has over ten years of experience in the field of audit and accounting and is the head of finance department of Sheung Moon Holdings Limited, a company listed on Stock Exchange (stock code: 8523) since November 2016.

Mr. So Kwok Yun (“**Mr. So**”), aged 58, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of Audit Committee and the Nomination Committee on 15 December 2017. He obtained a Bachelor of Arts (Architectural Studies) degree and a Bachelor of Architecture degree from the University of Hong Kong in 1984 and 1986, respectively. He was admitted as a member of the Hong Kong Institute of Architects in 1988 and a member of the Royal Institute of British Architects in 1990. He is also currently registered as an Authorized Person under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong) and a Registered Architect in Hong Kong under the Architects Registration Ordinance (Chapter 408 of the laws of Hong Kong). Mr. So has over thirty years of experience in the field of architecture and project management. He has taken up managerial positions with various established architecture and property development companies and was involved in a number of major commercial and residential property projects in Hong Kong, China and overseas. In 2003, Mr. So founded his architecture designing business in Shanghai, China. He further established DPS Design (SH) Co., Ltd.* (世天建築諮詢(上海)有限公司) in 2010 and has been serving as the managing director since its establishment.

Mr. Tang Wai Kee (“**Mr. Tang**”), aged 59, was appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee on 28 September 2017. He obtained a Bachelor of Science degree majoring in biology from the Chinese University of Hong Kong in 1983 and a Master of Science degree in financial economics from the University of London in 1995. Mr. Tang has over ten years of experience in the field of securities, futures and asset management. He has served as a responsible officer and/or licensed representative in various licensed corporations carrying out regulated activities under the SFO. Mr. Tang is currently licensed to carry out Types 1, 4 and 9 regulated activities under Schedule 5 of the SFO. Mr. Tang is also an individual member of the Global Association of Risk Professionals, a permanent member of Hong Kong Stockbrokers Association Limited and an individual member of the Market Technician Association.

Company Secretary

Ms. Cheng Lucy (“**Ms. Cheng**”), the company secretary of the Company, has been nominated by Boardroom Corporate Services (HK) Limited (“**Boardroom**”) under an engagement letter made between the Company and Boardroom. The primary person at the Company with whom Ms. Cheng has been contacting is Mr. Ip Kwok Kwong, an executive Director and the Managing Director, in relation to corporate secretarial matters. Ms. Cheng had received no less than 15 hours of relevant professional training for the year.

14. MISCELLANEOUS

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

15. LEGAL EFFECT

This Prospectus, the PAL and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

16. 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 the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this Prospectus, together with copies of the PAL and the written consent referred to in the paragraph headed “12. Expert and Consent” in this Appendix III, have been registered with the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at Room 2709, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, for a period of 14 days from the date of this Prospectus (both days inclusive):

- (a) the memorandum and articles of association of the Company;
- (b) the annual report of the Company for the year ended 31 March 2018;

- (c) the annual report of the Company for the year ended 31 March 2019;
- (d) the annual report of the Company for the year ended 31 March 2020;
- (e) the first quarterly report of the Company for the three months ended 30 June 2020;
- (f) the interim report of the Company for the six months ended 30 September 2020;
- (g) the Placing Agreement;
- (h) Shareholder Irrevocable Undertaking;
- (i) Optionholder's Undertakings;
- (j) the letter from the Board, the text of which is set out on pages 11 to 37 of this Prospectus;
- (k) the accountant's report on the unaudited pro forma financial information of the Group issued by McMillan Woods (Hong Kong) CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (l) the material contracts (including the Placing Agreement) as referred to in the section headed "8. Material contracts" in this appendix;
- (m) the written consent referred to in the section headed "12. Expert and consent" in this appendix;
- (n) the circular; and
- (o) this Prospectus Documents.