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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "13. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange 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 paragraph headed "Letter from the Board – Warning of the Risks of Dealing in the Shares and nil-paid Rights Shares" 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 the Prospectus Documents, 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.

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## Ocean Star Technology Group Limited

海納星空科技集團有限公司

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

(Stock Code: 8297)

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

Financial adviser to the Company



Underwriter to the Rights Issue



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Unless the context requires otherwise, capitalised terms used on this cover have the same meanings as those defined in this Prospectus.

The Rights Issue is on a best effort 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. Subject to fulfillment or (where applicable) waiver of the conditions precedent of the Rights Issue as set out in the paragraph "Letter from the Board – Conditions of the Rights Issue" 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 Monday, 15 August 2022), the Rights Issue will proceed regardless of the ultimate subscription level. In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transfers of nil-paid Rights Shares, or otherwise subscribed by the Underwriter or other subscribers procured by it pursuant to the Underwriting Agreement will not be issued by the Company, and hence, the size of the Rights Issue will be reduced accordingly. If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed. Investors are advised to exercise caution when dealing in the Shares.

It should be noted that the Shares have been dealt in on an ex-rights basis from Wednesday, 20 July 2022. Dealings in the Rights Shares in nil-paid form will take place from Tuesday, 2 August 2022 to Tuesday, 9 August 2022 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 2 August 2022 to Tuesday, 9 August 2022 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares and payment for excess Rights Shares is 4:00 p.m. on Friday, 12 August 2022. The procedure for acceptance and payments or transfer of the Rights Shares is set out on pages 19 to 24 in the paragraph headed "Letter from the Board – Rights Issue – Procedures for acceptance and payment or transfer" of this Prospectus.

29 July 2022

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## CHARACTERISTICS OF GEM

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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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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>EXPECTED TIMETABLE</b> .....	6
<b>TERMINATION OF THE UNDERWRITING AGREEMENT</b> .....	8
<b>LETTER FROM THE BOARD</b> .....	11
<b>APPENDIX I — FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP</b> .....	II-1
<b>APPENDIX III — GENERAL INFORMATION</b> .....	III-1

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## DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 17 June 2022 relating to, among other things, the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the register of members of the Company in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted by HKSCC to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted by HKSCC to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant

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## DEFINITIONS

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“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Ocean Star Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on GEM (stock code: 8297)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, in such usual form as may be agreed between the Company and the Underwriter
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning as defined in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“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

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## DEFINITIONS

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“Last Trading Day”	17 June 2022, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	22 July 2022, 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 Friday, 12 August 2022 or other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 15 August 2022 or such other time or date as the Underwriter may agree in writing with the Company
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 29 July 2022 or such other date as may be agreed in writing between the Underwriter and the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders

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## DEFINITIONS

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“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Thursday, 28 July 2022 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Registered Shareholder(s)”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered Shareholder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions in the Underwriting Agreement
“Rights Share(s)”	up to 315,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.1 per Rights Share

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## DEFINITIONS

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“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Underwriter”	Valuable Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 17 June 2022 entered into between the Company and the Underwriter in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Untaken Share(s)”	any of the Underwritten Shares which have not been taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or applicants under excess applications by the Latest Time for Acceptance
“%”	per cent.



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## EXPECTED TIMETABLE

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*The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.*

<b>Event</b>	<b>Date and time 2022</b>
First day and time of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Tuesday, 2 August
Latest time for splitting of PAL(s) . . . . .	4:30 p.m. on Thursday, 4 August
Last day of dealings in nil-paid Rights Shares . . . . .	Tuesday, 9 August
Latest time for acceptance and payment for the Rights Shares and application and payment for excess Rights Shares . . . . .	4:00 p.m. on Friday, 12 August
Latest time and date for termination of Underwriting Agreement and for the Rights Issue to become unconditional. . . . .	4:00 p.m. on Monday, 15 August
Announcement of results of the Rights Issue . . . . .	Friday, 19 August
Despatch of share certificates for fully-paid Rights Shares . . . . .	Monday, 22 August
Despatch of refund cheques for wholly or partly unsuccessful applications for excess Rights Shares or if the Rights Issue is terminated. . . . .	Monday, 22 August
Commencement of dealings in the fully-paid Rights Shares . . . . .	9:00 a.m. on Tuesday, 23 August
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares . . . . .	9:00 a.m. on Tuesday, 23 August
Designated broker ceases to provide matching services for odd lots of the Shares. . . . .	4:00 p.m. on Tuesday, 13 September

*Note:* All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this Prospectus are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

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## EXPECTED TIMETABLE

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

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at the time indicated above if a typhoon signal No. 8 (or above), “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region, or a “black” rainstorm warning is:

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

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. Announcement will be made by the Company in such event as soon as practicable.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if at any time on or before the Latest Time for Termination, *inter alia*:

- (i) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (ii) there shall be:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature after the signing of the Underwriting Agreement;
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
  - (c) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
  - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
  - (e) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
  - (f) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (g) the circular and/or the Prospectus when published contain information (as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company in compliance with the GEM Listing Rules,

which event or events is or are in the absolute opinion of the Underwriter:

1. likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
2. likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares “taken up”; or
3. make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, terminate the Underwriting Agreement.

If prior to the Latest Time for Termination, any such notice referred to above is given by the Underwriter, all obligations of the Underwriter shall cease and determine and the Company shall not be liable to pay any underwriting commission, costs, charges and expenses howsoever of or incidental to the Rights Issue.

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

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.**

**The Shares have been dealt in on an ex-rights basis from Wednesday, 20 July 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 2 August 2022 to Tuesday, 9 August 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the**

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

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LETTER FROM THE BOARD

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**Ocean Star Technology Group Limited**

**海納星空科技集團有限公司**

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

**(Stock Code: 8297)**

*Executive Directors:*

Mr. Zheng Sihu (*Chairman*)

Mr. Tam Chak Chi

Mr. Xu Xue

*Independent non-executive Directors:*

Mr. Lai Kim Fung

Mr. Tang Yiu Kay

Mr. Tong Zhu

*Registered office:*

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

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

1/F., Lok Kui Industrial Building

6–8 Hung To Road

Kwun Tong, Kowloon

Hong Kong

29 July 2022

*To the Qualifying Shareholders; and  
for information only, the Non-Qualifying Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the Rights Issue. The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof. The Underwritten Shares are underwritten by the Underwriter on a best effort and non-fully underwritten basis, pursuant to the terms of the Underwriting Agreement.

The purpose of this Prospectus is to provide you with, among other things, further details on (i) the Rights Issue information on acceptances of the Rights Share and the underwriting arrangement; (ii) the financial information of the Group; (iii) the unaudited pro forma financial information of the Group; and (iv) the general information of the Group.

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## LETTER FROM THE BOARD

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### RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise gross proceeds of approximately HK\$31.5 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date), by way of the Rights Issue of 315,000,000 Rights Shares to the Qualifying Shareholders.

On 17 June 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to underwrite, on a best effort and non-fully underwritten basis, up to 315,000,000 Underwritten Shares (assuming no change in the number of Shares in issue on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the major terms and conditions precedent of the Underwriting Agreement are set out in the paragraph headed “The Underwriting Arrangement” in this Prospectus.

### Issue statistics

The terms of the Rights Issue are set out as follows:

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.097 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	630,000,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 315,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) The aggregate nominal value of the Rights Shares will be up to HK\$3,150,000

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## LETTER FROM THE BOARD

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Total number of Shares in issue upon completion of the Rights Issue	:	Up to 945,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$31.5 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 19 June 2017. No share options have been granted or exercised under the Share Option Scheme since its adoption. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. As at the Latest Practicable Date, the Company does not have any outstanding convertible securities, options, derivatives, warrants, conversion rights in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Assuming no further issue or repurchase of Shares on or before the Record Date, the maximum number of 315,000,000 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent 50% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 33.3% of the total number of issued Shares as enlarged by the allotment and issuance of the Rights Shares.

**The Rights Issue is only underwritten on a best effort and non-fully underwritten basis. Pursuant to the Company’s constitutional documents and the Companies Act of the Cayman Islands, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the ultimate subscription level, and up to 315,000,000 Rights Shares can be subscribed subject, however, to any scale-down due to the public float requirement under the GEM Listing Rules.**

**In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter (or either of them, whichever shall be appropriate) will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

### Undertakings

The Company has undertaken in the Underwriting Agreement that the Company shall not issue new Shares under the general mandate and shall not grant new share options under the share option scheme from the date of the Underwriting Agreement up to and including the Record Date (both days inclusive).



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## LETTER FROM THE BOARD

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The Company has undertaken in the Underwriting Agreement to accept applications on EAFs which shall have been submitted in accordance with the terms and conditions set out in the Prospectus Documents before calling on the Underwriter to perform its obligations imposed by the terms of the Underwriting Agreement.

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

### **The Subscription Price**

The Subscription Price is HK\$0.1 per Rights Share, payable in full when a Qualifying Shareholder accepts his/he/its provisional allotment under the Rights Issue or application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 41.2% to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 41.9% to the average closing price of HK\$0.172 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 43.2% to the average closing price of HK\$0.176 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 32.0% to the theoretical ex-rights price of approximately HK\$0.147 per Share based on the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 19.4% to the closing price of HK\$0.124 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 900.0% over the audited net asset value per Share of approximately HK\$0.01 (based on the latest published consolidated net asset value of the Group of approximately HK\$6,603,000 as at 31 March 2022 as disclosed in the annual report of the Company for the year ended 31 March 2022 and 630,000,000 Shares as at the Latest Practicable Date).

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## LETTER FROM THE BOARD

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The Rights Issue would result in a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 13.9%, based on the theoretical diluted price of approximately HK\$0.149 per Share and the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of approximately HK\$0.173 per Share.

The terms of the Right Issue, including the Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price and trading liquidities of the Shares under the prevailing market conditions; and (ii) the latest business performance and financial position of the Group.

Since 21 January 2022 up to and including the Last Trading Day (the “**Relevant Period**”), the closing price of the Shares remained between HK\$0.141 and HK\$0.265 after a significant decline in the closing price of the Shares from HK\$0.61 on 19 January 2022 to HK\$0.255 on 21 January 2022. In additions, the average daily trading volume of the Shares during the Relevant Period was relatively thin, representing approximately 0.30% of the total number of Shares in issue as at the Last Trading Day. In view of the aforementioned range of the closing price of the Shares and the trading liquidities during the Relevant Period, and in order to enhance the attractiveness of the Rights Issue to the Shareholders, the Directors set the Subscription Price at a discount to the recent closing price of the Shares.

The Group recorded a loss attributable to owners of the Company of approximately HK\$20.0 million for the year ended 31 March 2022 as compared to an audited profit attributable to owner of the Company of approximately HK\$3.7 million for the year ended 31 March 2021 and had a net current liabilities position of approximately HK\$18.9 million as at 30 September 2021 and approximately HK\$55.1 million as at 31 March 2021 respectively. The Board has also considered that approximately HK\$8.1 million out of the net proceeds of approximately HK\$13.05 million from the placing of new Shares, which was completed on 28 March 2022, had already been utilised as at the Last Trading Day. In view of the latest unsatisfactory business performance and financial position of the Group, the Directors consider that it is commercially reasonable and justifiable to set the Subscription Price at a discount to the recent closing price of the Shares and obtain external financing to support its working capital and for expansion of the Group's business with a view to achieve continuous improvement of the Group's financial performance.

As 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, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimizing possible dilution impact.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.097.

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## LETTER FROM THE BOARD

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The Board considers that the Subscription Price is fair and reasonable and in the interest 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; (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 discount to the recent closing price; and (iv) the Qualifying Shareholders are given opportunity to increase their investment in the Company through excess application of the Rights Shares to participate in the future growth of the Company.

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

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

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 21 July 2022.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus (without the PAL(s) and the EAF(s)) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who take up their *pro rata* entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

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

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## LETTER FROM THE BOARD

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### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares in issue and held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlement to the Rights Shares" below.

### **Rights of Overseas Shareholders (if any)**

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

As at the Latest Practicable Date, the Company had no Overseas Shareholders based on the shareholders information available from the Registrar. Since the register of members is closed from 22 July 2022 to 28 July 2022, the Company confirms that the Company will have no Overseas Shareholders as at the Record Date.

The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus or the PAL or the EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance or doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

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## LETTER FROM THE BOARD

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Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders *pro rata* to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, those Rights Shares will be fully underwritten by the Underwriter on a best effort basis.

**The Company reserves the right to refuse to accept any application or treat as invalid any acceptance of or applications for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

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

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Monday, 22 August 2022 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be despatched on or before Monday, 22 August 2022 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 22 August 2022, by ordinary post to the applicants, at their own risk, to their registered addresses.

### **Fractional entitlement to the Rights Shares**

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter.

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## LETTER FROM THE BOARD

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### Procedures for acceptance and payment or transfer

#### *General*

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to the full observance of the applicable laws of any relevant territory or jurisdictions including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes and duties due in such territories or jurisdictions. The attention of Shareholders with registered addresses in any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons, and investors who are located or resided in, with such addresses is drawn to the paragraph headed “Rights of Overseas Shareholders” in this letter.

Completion and return of the PAL and/or EAF with a cheque or banker’s cashier order in payment for the nil-paid Rights Shares and/or excess Rights Shares applied for will constitute a warranty and representation to the Company, from such person, that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of it and/or the EAF and any applications under it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representation or warranty.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the jurisdictions outside Hong Kong and which may involve a breach of the laws of the relevant jurisdictions; or otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirement.

#### *PAL – acceptance, payment and transfer*

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to them as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon with the Registrar, together with a remittance for the full amount payable on acceptance, so as to be received by no later than 4:00 p.m. (Hong Kong time) on Friday, 12 August 2022 (or, under bad weather conditions and/or extreme conditions, such later date as mentioned in the paragraph “Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares” in the section headed “EXPECTED TIMETABLE” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Ocean Star Technology Group Limited – Provisional Allotment Account**” and crossed “**Account Payee Only**”.

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## LETTER FROM THE BOARD

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Friday, 12 August 2022, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 4 August 2022 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 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

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

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

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

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

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## LETTER FROM THE BOARD

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No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the laws and regulations of all relevant territories and jurisdictions, including the obtaining of any governmental or other consents and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If any of the conditions of the Rights Issue as set out in the paragraph headed “Letter from the Board – Conditions of the Rights Issue” below are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 22 August 2022.

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

***Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than through CCASS)***

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares. Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect.



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## LETTER FROM THE BOARD

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### *Action to be taken by Beneficial Owners holding interests in Shares through CCASS*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares. Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants *pro rata* to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS. Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in nil-paid Rights Shares should be dealt with.

### *Application for the excess Rights Shares*

Qualifying Shareholders shall be entitled to apply, by way of excess application, for (i) the Rights Shares representing the entitlement of the Non-Qualifying Shareholders and which cannot be sold at a net premium; (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or transferees of nil-paid Rights Shares; and (iii) any of the unsold Rights Shares created from the aggregation of fractions of the Rights Shares (collectively referred to as “**Untaken Rights**”). Applications for the excess Rights Shares may be made by duly completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

All remittances must be made by cheque or banker’s cashier order in Hong Kong dollars. Cheques must be drawn on a bank account with, and banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Ocean Star Technology Group Limited – Excess Application Account**” and crossed “**Account Payee Only**”.

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## LETTER FROM THE BOARD

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The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result;
- (ii) the excess Rights Shares will be allocated to the applicants on a *pro rata* basis based on the number of excess Rights Shares applied for by them. No reference will be made to Rights Shares subscribed through PALs, or the number of Shares held by the Qualifying Shareholders; and
- (iii) pursuant to Rule 10.31(3)(b) of the GEM Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

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

Beneficial Owners of the Shares whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Beneficial Owners of the Shares whose Shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to Beneficial Owners individually and are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the Beneficial Owner(s) prior to the Record Date.

For those Beneficial Owners of the Shares whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for completion of the relevant registration not later than 4:30 p.m.

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## LETTER FROM THE BOARD

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(Hong Kong time) on Thursday, 21 July 2022. The register of members of the Company will be closed from Friday, 22 July 2022 to Thursday, 28 July 2022, both dates inclusive.

In the event that the Directors note unusual patterns of excess Rights Shares applications, the Directors will review those applications and if the Directors have reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Directors.

### **Application for listing of the Rights Shares**

The Company has made an application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

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

The nil-paid Rights Shares shall have the same board lot size as the existing Shares (i.e. 2,500 Shares in one board lot).

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 2,500 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **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,

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## LETTER FROM THE BOARD

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

For the avoidance of doubt, the Company, the Directors or any other parties involved in the Rights Issue will not be responsible for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, exercising, disposing of or dealings in any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

### THE UNDERWRITING ARRANGEMENT

On 17 June 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter. Further details of the Underwriting Agreement are set out below.

#### Underwriting Agreement

Date	:	17 June 2022 (after trading hours)
Issuer	:	The Company
Underwriter	:	Valuable Capital Limited
Number of Rights Shares underwritten by the Underwriter	:	Up to 315,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) underwritten by the Underwriter on a best effort basis pursuant to the terms and conditions of the Underwriting Agreement.
Underwriting Commission	:	1.0% of the aggregate Subscription Price in respect of the Rights Shares actually subscribed for through the Underwriter and/or its sub-underwriters

The Underwriter is a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 9 (asset management) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter and its associates did not hold any Shares, and the Underwriter and its ultimate Beneficial Owners are Independent Third Parties. The Underwriter confirmed that (i) the Underwriter and its ultimate Beneficial Owners are Independent Third Parties; and (ii) it has complied with Rule 10.24A(1) of the GEM Listing Rules that it is licensed under the SFO for type 1 regulated activity and its ordinary business includes underwriting of securities.

The Rights Issue is underwritten by the Underwriter on a best effort and non-fully underwritten basis on the terms of the Underwriting Agreement. The Underwriter may enter into

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## LETTER FROM THE BOARD

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sub-underwriting arrangement with sub-underwriter(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under the Underwriting Agreement.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors consider the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Underwriter) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter has agreed to subscribe or procure the subscription for all Underwritten Shares that are not otherwise taken up.

Save for the Underwriting Agreement, the Company has not entered into any agreement, arrangement, understanding or undertaking in regard of the Rights Issue with the Underwriter or any of its connected persons and their respective associates.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of certain events. For details, please refer to the section headed "TERMINATION OF THE UNDERWRITING AGREEMENT" in this prospectus.

**The Rights Issue is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. If the Underwriting Agreement does not become unconditional or in the event the Underwriter exercises its rights to terminate the Underwriting Agreement prior to the Latest Time for Termination, then the Rights Issue will not proceed, and all obligation and liabilities of the parties to the Underwriting Agreement will cease and determine and no party thereto will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. In such an event, the Company will make a further announcement as and when appropriate.**

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## LETTER FROM THE BOARD

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### Conditions of the Rights Issue

The obligations of the Underwriter under the Underwriting Agreement are conditional on the fulfilment (or waiver, if applicable, by the Underwriter) of the following conditions:

- (i) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms, by no later than the first day of their dealings;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus Documents (and all other documents required to be attached thereto) as having been approved by resolution of the Board not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders by no later than the Prospectus Posting Date;
- (iv) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with the terms thereof; and
- (v) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects.

The conditions precedent, save and except paragraph (v) above which can only be waived by the Underwriter, are incapable of being waived.

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions precedent set out in paragraphs (i) to (iii) and (v) above by the Latest Time for Termination and to do all such other acts and things as may be required to carry into effect the Rights Issue. If the conditions precedent set out in the above paragraphs are not satisfied (or, if applicable, waived by the Underwriter) in whole or in part on or before the Latest Time for Termination and/or the condition set out in paragraph (v) does not remain fulfilled (unless waived by the Underwriter under the terms of the Underwriting Agreement) up to the Latest Time for Termination or the Underwriting Agreement shall be rescinded by the Underwriter pursuant to the terms thereof, the Underwriting Agreement shall terminate (save in respect of the surviving provisions in relation to fees and expenses, indemnity, notices and governing law mentioned in the Underwriting Agreement), and all obligations and liabilities of the parties to the Underwriting Agreement will forthwith cease and determine and no party thereto will have

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## LETTER FROM THE BOARD

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any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches thereof, and the Rights Issue will not proceed.

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

**The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents, the Companies Act of the Cayman Islands, the Companies (WUMP) Ordinance and the GEM Listing Rules, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the ultimate subscription level.**

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

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

The Group was principally engaged in the designing, manufacturing and sales of core lingerie products under the core brand of “Bodibra” and sub-brands, namely “June”, “ooobiki”, “Bodicare” and “invisi”. The Group principally offers a wide range of its own branded lingerie that are designed with shaping functions which aim to achieve better body appearances, including bras and panties, body shaping underwear and chest support vests. The Group also (i) sells other products without shaping functions, which primarily include breast cream, panties, nude bras, swimwear, brastraps and pads, and waist bands; and (ii) provides beauty services.

Since year 2020, the market condition in Hong Kong has been materially and adversely affected by the outbreak of the COVID-19 pandemic. As the fifth wave of the pandemic has spread across Hong Kong and the end is not yet in sight, it is believed that the retail industry will continue to be struggling at least in the forthcoming months but is also cautiously optimistic that the local retail market will be gradually recovered. To prepare for the extended negative impact on the market recovery, the Board considers that the Rights Issue represents a good and timely opportunity for the Company to strengthen the financial position of the Group and to maintain a healthy working capital position during this difficult time. As stated in the annual report of the Company for the year ended 31 March 2022, the Board will (1) closely monitor the day-to-day operation and management of the business and tighten the cost control measures to reduce the adverse impacts on the Group's operation and financial performance caused by the COVID-19 Pandemic; (2) optimize the resource allocation to upgrade the core lingerie products and develop new and fashionable lingerie products according to consumer needs; (3) invest in developing the e-commerce exclusive lingerie products and the online shopping market; and (4) proactively seek for potential business opportunities.

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## LETTER FROM THE BOARD

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It is the Group's intention to expand the Group's existing business through tapping into the online e-commerce market and/or expanding offline retailing sales channel. The Directors believe that the Rights Issue represents a good opportunity for the Company to strengthen the financial position of the Group which will provide the Group the opportunity to implement the aforementioned strategies. The Company did not have any agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) about acquisition or injection of any new business as at the Latest Practicable Date.

Assuming full subscription under the Rights Issue, it is estimated that the Company will raise gross proceeds of approximately HK\$31.5 million from the Rights Issue and the relevant expenses would be approximately HK\$1.0 million, which include underwriting commission and professional fees. The estimated net proceeds (the "**Net Proceeds**") from the Rights Issue after deducting all necessary expenses will be approximately HK\$30.5 million (equivalent to a net price of approximately HK\$0.097 per Rights Share), assuming no change in the number of Shares in issue on or before the Record Date. In line with the aforesaid, the Company intends to utilise the Net Proceeds as follows:

- (i) approximately HK\$24.4 million (or approximately 80% of the total net proceeds) to be applied for financing the expansion of the Group's business on or before 30 June 2023; and
- (ii) the remaining balance of approximately HK\$6.1 million (or approximately 20% of the total net proceeds) to be applied for general working capital of the Group on or before 30 June 2023.

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

The Board is of the view that the Rights Issue represents an opportunity for the Company to strengthen its financial position after having considered that:

- (i) the net current liabilities position of the Group as at 30 September 2021 and 31 March 2021 and 2022;
- (ii) the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so;
- (iii) the discount of the Subscription Price to the prevailing market price in order to enhance the attractiveness of the Rights Issue and it is the Company's objective to encourage the participation of Qualifying Shareholders in the Rights Issue;



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## LETTER FROM THE BOARD

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- (iv) after considering other alternative fund-raising methods as set out in the paragraph headed “Fund-raising alternatives” below, it is prudent to finance the Group’s long term growth by long-term financing, preferably in the form of equity which will not increase the Group’s finance costs. In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise; and
- (v) to allow the Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In view of the above, the Board considers that raising funds by way of the Rights Issue is more cost effective, efficient and beneficial to the Company and the Shareholders as a whole as compared to raising fund by other means. The terms of the Rights Issue (including the Underwriting Agreement) were determined after arm’s length negotiations between the Company and the Underwriter. The Directors consider that the terms of the Rights Issue (including the Underwriting Agreement) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Other than the Rights Issue, as at the Latest Practicable Date, the Company did not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable fundraising opportunities or needs arise in order to support future development of the Group and/or the existing business operation of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

### **Fund-raising alternatives**

The Board has also considered other alternative means of fund-raising before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. However, the Board considers that debt financing will result in additional interest burden and higher gearing ratio of the Group. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for equity fund-raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund-raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market.

In view of the above, the Board considers that raising funds by way of the Rights Issue is more cost effective, efficient and beneficial to the Company and the Shareholders as a whole as compared to raising fund by other means.

## LETTER FROM THE BOARD

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders); and (iii) immediately after the Rights Issue (assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up all Rights Shares pursuant to the Underwriting Agreement).

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming no Qualifying Shareholder takes up any of the Rights Shares and the Underwriter takes up the Rights Shares pursuant to the Underwriting Agreement	
	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>
Global Succeed Group Limited ( <i>Note 2</i> )	160,000,000	25.4	240,000,000	25.4	160,000,000	16.9
Underwriter, sub-underwriter(s) and/or subscriber(s) procured by them ( <i>Notes 3 &amp; 4</i> )	–	–	–	–	315,000,000	33.3
Public Shareholders	470,000,000	74.6	705,000,000	74.6	470,000,000	49.8
<b>Total</b>	<b>630,000,000</b>	<b>100.0</b>	<b>945,000,000</b>	<b>100.0</b>	<b>945,000,000</b>	<b>100.0</b>

*Notes:*

- (1) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
- (2) Global Succeed Group Limited is the direct shareholder of the Company. According to the information available to the Company, Global Succeed Group Limited is beneficially owned as to 50% by Mr. Chan Lin So Alan and 50% by Mr. Yiu Koon Pong. By virtue of the SFO, each of Mr. Chan Lin So Alan and Mr. Yiu Koon Pong is deemed to be interested in the 160,000,000 Shares held by Global Succeed Group Limited.
- (3) Pursuant to the Underwriting Agreement, the Underwriter shall confirm with the Company the actual number of Untaken Shares as at the Latest Time for Acceptance, and shall procure for subscription therefor on a best effort basis.

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## LETTER FROM THE BOARD

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- (4) In any event and notwithstanding any provisions under the Underwriting Agreement, the Underwriter irrevocably undertakes to the Company that (i) each of the subscribers of the Untaken Shares procured by the Underwriter (or the Underwriter concerned, whichever shall be appropriate) shall be an Independent Third Party and are not acting in concert (within the meaning of the Takeovers Code) with the Underwriter and its associates; (ii) the Underwriter shall and shall cause the sub-underwriters to procure independent subscribers and/or placees to take up such number of Untaken Shares as necessary to ensure that the Company will comply with the public float requirement under the GEM Listing Rules upon completion of the Rights Issue; and (iii) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.

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.

### EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY FOR THE PAST TWELVE MONTHS

The Company has conducted the following fund-raising activity involving issue of equity securities during the 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds as at the Latest Practicable Date
1 March 2022	Placing of new Shares under general mandate	Approximately HK\$13.05 million	The Group's general working capital	Approximately HK\$8.8 million utilised for general working capital, including HK\$5.7 million for staff costs, HK\$2.7 million for rental expenses and HK\$0.4 million for other operating expenses

As at the Latest Practicable Date, approximately HK\$4.25 million out of the net proceeds from the placing announced on 1 March 2022 has yet to be utilised. The Company intended to utilise the remaining proceeds for staff costs, rental expenses and other operating expenses on or before 31 December 2022.

Save as disclosed above, the Company has not conducted other fund-raising exercise involving issue of equity securities during the 12 months immediately preceding the Latest Practicable Date, or prior to such 12 months period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 months period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12 months period.

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## LETTER FROM THE BOARD

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### GEM LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue or open offer within the 12-month period immediately prior to the date of this Prospectus, (ii) the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not subject to Shareholders' approval under the GEM Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

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

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement" in this Prospectus). Accordingly, the Rights Issue may or may not proceed.**

**The Shares have been dealt in on an ex-rights basis from Wednesday, 20 July 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 2 August 2022 to Tuesday, 9 August 2022 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

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

By order of the Board  
**Ocean Star Technology Group Limited**  
**Tam Chak Chi**  
*Executive Director*

## 1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three financial years ended 31 March 2020, 2021 and 2022 were disclosed in the annual reports of the Company for the years ended 31 March 2020 (pages 46 to 108), 2021 (pages 58 to 115) and 2022 (pages 67 to 127) respectively. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.bodibra.com](http://www.bodibra.com)). Please refer to the hyperlinks as stated below:

2020 annual report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0626/2020062600883.pdf>

2021 annual report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0628/2021062800367.pdf>

2022 annual report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0627/2022062701110.pdf>

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2022, 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:

	<i>Approximately</i> <i>HK\$'000</i>
Lease liabilities – current	12,626
Lease liabilities – non-current	11,436
	<hr/>
	24,062
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The Group measures the lease liabilities at the present value of the remaining lease payments for various offices, warehouses and retail stores, discounted by the Group's incremental borrowing rates under HKFRS 16.

### 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 June 2022, 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 other borrowings 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 June 2022; (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. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for at least the next 12 months from the date of this Prospectus.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2022, being the date to which the latest published audited consolidated financial statements of the Group have been made up.

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

As at 31 March 2022, the Group had net current liabilities of approximately HK\$15.1 million. For the year ended 31 March 2022, the Group recorded a turnover and net loss of approximately HK\$46.6 million and HK\$18.8 million respectively.

The Group is one of the leading retailers of lingerie with shaping functions in Hong Kong, with production facilities in the People's Republic of China and Hong Kong. The Group is principally engaged in the designing, manufacturing and sales of core lingerie products under the core brand of "Bodibra" and sub-brands, namely "June", "ooobiki", "Bodicare" and "invisi". The Group principally offers a wide range of the Group's own branded lingerie that are designed with shaping functions which aim to achieve better body appearances, including bras and panties, body shaping underwear and chest support vests. The Group also (1) sells other products without shaping functions, which primarily include breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands; and (2) provides beauty services.

The Board considers that the local retail market will remain difficult and challenging. The Board will (1) closely monitor the day-to-day operation and management of the business and tighten the cost control measures to reduce the adverse impacts on the Group's operation and financial performance caused by the COVID-19 Pandemic; (2) optimize the resource allocation to upgrade the core lingerie products and develop new and fashionable lingerie products according to consumer needs; (3) invest in developing the e-commerce exclusive lingerie products and the online shopping market; and (4) proactively seek for potential business opportunities. The Board believes that these measures will bring positive effects on the Group's financial performance and increase the value for shareholders in the long run.



## APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

### 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 31 March 2022 (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 audited consolidated net tangible assets of the Group as at 31 March 2022 attributable to the owners of the Company, as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2022 or any future date following the Rights Issue.

The following Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group which is extracted from the published annual report of the Company for the year ended 31 March 2022, and adjusted as described below.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2022	Unaudited estimated net proceeds from the Rights Issue	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	Unaudited consolidated net tangible assets attributable to the owners of the Company per Share before the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company immediately after completion of the Rights Issue
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Based on 315,000,000 Rights Shares at Subscription Price of HK\$0.01 per Rights Share				
6,603	30,500	37,103	0.01	0.04

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## APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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*Notes:*

- (1) The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2022 is extracted from the audited consolidated net assets of the Group attributable to the owners of the Company as at 31 March 2022 of approximately HK\$6,603,000 as shown on the audited consolidated statement of financial position of the Group as at 31 March 2022 has been extracted from the published annual report of the Company for the year ended 31 March 2022. The Group does not have any intangible assets as at 31 March 2022.
- (2) The estimated net proceeds from the Rights Issue are based on a total of 315,000,000 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 one Rights Share for every two existing Shares at the Subscription Price of HK\$0.10 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\$1,000,000.
- (3) The unaudited consolidated net tangible assets per share attributable to the owners of the Company was HK\$0.01, which is based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2022 of approximately HK\$6,603,000 and 630,000,000 Shares in issue as at 31 March 2022.
- (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\$0.04 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\$6,603,000 and the estimated net proceed of approximately HK\$30,500,000 from the Rights Issue (note 2 above) divided by 945,000,000 Shares which comprise 630,000,000 Shares in issue before completion of the Rights Issue and 315,000,000 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 31 March 2022.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 March 2022.

**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.*



24th Floor  
Siu On Centre  
188 Lockhart Road  
Wan Chai  
Hong Kong

29 July 2022

The Board of Directors  
**Ocean Star Technology Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Ocean Star Technology Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 March 2022 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 29 July 2022 (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 one rights shares for every two existing share at the subscription price of HK\$0.10 per rights share (the “**Rights Issue**”) as if the Rights Issue had taken place on 31 March 2022. As part of this process, information about the Group’s net tangible assets as at 31 March 2022 has been extracted by the directors from the Group’s consolidated financial information for the year ended 31 March 2022 included in the annual report of the Group for the year ended 31 March 2022, on which an auditor’s 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 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 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 31 March 2022 would have been as presented.

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## APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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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

**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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

**2. SHARE CAPITAL**

The authorised and issued share capital in the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming the Rights Issue becoming unconditional) was and will be as follows:

**(i) As at the Latest Practicable Date**

<i>Authorised:</i>		<i>HK\$</i>
<u>4,000,000,000</u>	Shares of HK\$0.01 each	<u>40,000,000.00</u>
 <i>Issued and fully paid:</i>		
<u>630,000,000</u>	Shares of HK\$0.01 each	<u>6,300,000.00</u>

- (ii) Immediately upon completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to completion of the Rights Issue and full acceptance by the Qualifying Shareholders)

<i>Authorised:</i>	<i>HK\$</i>
<u>4,000,000,000</u> Shares of HK\$0.01 each	<u>40,000,000.00</u>
 <i>Issued and fully paid:</i>	
630,000,000 Shares of HK\$0.01 each	6,300,000.00
<u>315,000,000</u> Rights Shares of HK\$0.01 each to be allotted and issued under the Rights Issue	<u>3,150,000.00</u>
<u>945,000,000</u> Total	<u>9,450,000.00</u>

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares are or will be listed on the Stock Exchange. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other 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.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

### 3. DISCLOSURE OF INTERESTS

#### (a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to

Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

**(b) Interests of substantial Shareholders and other person**

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, no person or company (other than a Director or chief executive of the Company), had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO, who were, directly or indirectly, interested in 10% or more of the number of any class of share carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

<b>Name of Substantial Shareholders</b>	<b>Capacity</b>	<b>Total number of Shares held</b>	<b>Approximate percentage of total number of issued Shares of the Company</b>
Global Succeed Group Limited <i>(Note)</i>	Beneficial owner	160,000,000	25.4%
Mr. Chan Lin So Alan <i>(Note)</i>	Interest in a controlled corporation	160,000,000	25.4%
Mr. Yiu Koon Pong <i>(Note)</i>	Interest in a controlled corporation	160,000,000	25.4%

*Note:* Global Succeed Group Limited is beneficially owned as to 50% by Mr. Chan Lin So Alan and 50% by Mr. Yiu Koon Pong.



**4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date:

- (a) none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2022 (being the date to which the latest published audited accounts of the Group were made up); and
- (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.

**5. LITIGATION**

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

**6. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or was proposing to enter into any service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

**7. COMPETING INTERESTS**

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective associates had any business or interest that compete with the business of the Group or has or may have any other conflict of interest with the Group.

**8. MATERIAL CONTRACTS**

The following contracts (being contracts not enter into in the ordinary course of business of the Group) have been entered into by the Group within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date which are or may be material:

- (a) the placing agreement dated 15 April 2021 entered between the Company and Valuable Capital Limited (as placing agent) in relation to the placing of 48,000,000 placing shares at the placing price of HK\$0.86 per placing share;

- (b) the placing agreement dated 1 March 2022 entered between the Company and Valuable Capital Limited (as placing agent) in relation to the placing of 102,000,000 placing shares at the placing price of HK\$0.13 per placing share; and
- (c) the Underwriting Agreement.

## 9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion letter or advice contained in this Prospectus:

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

McMillan Woods (Hong Kong) CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and report and references to its name in the form and context in which it appears. McMillan Woods (Hong Kong) CPA Limited confirmed that as at the Latest Practicable Date:

- (i) it did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and
- (ii) it was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2022 (being the date to which the latest published audited accounts of the Company were made up) and up to the Latest Practicable Date.

## 10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (if any), printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.0 million, which are payable by the Company.

**11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE****Board of Directors***Executive Directors:*Zheng Sihu (*Chairman*)

Tam Chak Chi

Xu Xue

*Independent non-executive Directors:*

Lai Kim Fung

Tang Yiu Kay

Tong Zhu

*Audit Committee:*Tang Yiu Kay (*Chairman*)

Lai Kim Fung

Tong Zhu

*Nomination Committee:*Lai Kim Fung (*Chairman*)

Tam Chak Chi

Xu Xue

Tang Yiu Kay

Tong Zhu

*Remuneration Committee:*Lai Kim Fung (*Chairman*)

Tam Chak Chi

Xu Xue

Tang Yiu Kay

Tong Zhu

**Registered office**

Windward 3, Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

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

1/F., Lok Kui Industrial Building

6-8 Hung To Road

Kwun Tong, Kowloon

Hong Kong

**Authorised representatives**

Tam Chak Chi

Xu Xue

**Compliance officer**

Tam Chak Chi

<b>Company secretary</b>	Tam Chak Chi
<b>Principal share registrar and transfer office in the Cayman Islands</b>	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
<b>Branch share registrar and transfer office in Hong Kong</b>	Boardroom Share Registrars (HK) Limited 2103B, 21/F 148 Electric Road North Point, Hong Kong
<b>Principal banker</b>	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
<b>Reporting accountants</b>	McMillan Woods (Hong Kong) CPA Limited 24th Floor, Siu On Centre 188 Lockhart Road Wan Chai, Hong Kong
<b>Legal adviser to the Company as to Hong Kong laws</b>	Ling & Lawyers Room 903, 9/F Yip Fung Building 2-18 D'Aguilar Street Central, Hong Kong
<b>Financial adviser to the Company</b>	Akron Corporate Finance Limited Room 811-812, China United Centre 28 Marble Road, North Point Hong Kong
<b>Underwriter</b>	Valuable Capital Limited Room 2808, 28/F China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong

## 12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

### (a) Profiles of the Directors and senior management

#### *Executive Directors*

**Mr. Zheng Sihu (“Mr. Zheng”)**, aged 37, was appointed as an executive Director and chairman of the Board in July 2022.

Mr. Zheng holds a bachelor degree in Accounting from Wuhan University of Technology. Mr. Zheng has over ten years of experience in sales and marketing for different market segments including medical sector and financial sector. He has extensive experience in corporate management and overall strategic planning.

**Mr. Tam Chak Chi (“Mr. Tam”)**, aged 45, was appointed as an executive Director in December 2018. Mr. Tam is a member of each of the remuneration committee and nomination committee of the Board. He is also the company secretary and compliance officer of the Company.

Mr. Tam holds a bachelor’s degree of commerce from the University of Toronto. He is a fellow member of the Taxation Institute of Hong Kong and a member of each of the American Institute of Certified Public Accountants and the Chartered Global Management Accountant. Mr. Tam has extensive experience in providing accounting, auditing and financial services and has served various senior positions at various private and listed companies. He is currently an independent non-executive director of Wisdom Wealth Resources Investment Holding Group Limited (formerly known as Hong Kong Finance Investment Holding Group Limited) (stock code: 00007), the shares of which are listed on the Main Board of the Stock Exchange. Further, he is currently an independent non-executive director of Wealth Glory Holdings Limited (stock code: 8269) and AL Group Limited (stock code: 8360), the respective shares of which are listed on the GEM, and a financial consultant of various private companies.

**Mr. Xu Xue (“Mr. Xu”)**, aged 50, was appointed as an executive Director in May 2020. Mr. Xu is a member of each of the remuneration committee and nomination committee of the Board.

Mr. Xu graduated from Shaanxi Institute of Education\* (陝西教育學院) (now known as Shaanxi Xueqian Normal University) in the People’s Republic of China in 1996, majoring in history education. Mr. Xu has more than 20 years of management experience in manufacturing and electronics sectors and has been the founder of and served various senior positions in various private companies. He was previously an executive director of Republic Healthcare Limited (stock code: 8357) from 21 November 2018 to 15 August 2019, its shares are listed on the GEM.

*Independent non-executive Directors*

**Mr. Tang Yiu Kay (“Mr. Tang”)**, aged 40, was appointed as an independent non-executive Director in June 2021. Mr. Tang is the chairman of the audit committee and a member of each of the remuneration committee and nomination committee of the Board.

Mr. Tang holds a master degree in financial services and society and a bachelor degree in accounting and finance. Mr. Tang is currently a practicing member of Hong Kong Institute of Certified Public Accountants and has over 15 years of solid experiences in tax issues, internal control, auditing, financial accounting and business management. Mr. Tang is currently a director of Good Chance CPA Limited. He is primarily responsible for providing consultancy services on tax and audit issues to clients in Hong Kong. Mr. Tang also has professional expertise and extensive experience in financial management and accounting in listed companies in Hong Kong. Mr. Tang has been appointed as an independent non-executive director and chairman of each of the audit committee, the remuneration committee and the nomination committee of China Properties Investment Holdings Limited (Stock Code: 736) with effect from 3 June 2021. Further, he has been appointed as an independent non-executive director and chairman of the audit committee of Bay Area Gold Group Limited (Stock Code: 1194) with effect from 26 August 2021.

**Mr. Tong Zhu (“Mr. Tong”)**, aged 62, was appointed as an independent non-executive Director in September 2021. Mr. Tong is a member of each of the audit committee remuneration committee and nomination committee of the Board.

Mr. Tong graduated at University of Electronic Science and Technology in People’s Republic of China with a bachelor degree in business management. He was assessed as an economist by Personnel Department of Guangdong Province (廣東省人事廳) in 2000. He has extensive financial and project management experience and work experience in companies listed in Shenzhen and Hong Kong.

**Mr. Lai Kim Fung (“Mr. Lai”)**, aged 55, was appointed as an independent non-executive Director, chairman of each of the remuneration committee and the nomination committee, and a member of the audit committee.

Mr. Lai holds a postgraduate certificate in Professional Accounting from City University of Hong Kong and master of business administration from University of Exeter in the United Kingdom. Mr. Lai, previously worked in various international banks and investment banks, has extensive experience with commercial and investment banking, corporate finance, treasury, merger and acquisition and investment management focusing on the Great China. Mr. Lai also worked for China Tourism Group Co., Ltd., a state-owned enterprise of the People’s Republic of China, and its subsidiaries for 19 years. He served as the vice president of CTS Investment

Inc. USA, and was one of the founding members of China Travel Service Financial Holdings Co., Ltd..

Mr. Lai is currently the chairman of Industry Development Committee of Hong Kong Society of Artificial Intelligence and Robotics, a member of the Hangzhou's Political Consultative Conference. He is also an independent non-executive director of the China Aviation Flying Shark Global Credit Fund, a fund under AVIC Capital International Holding Co., Ltd..

Mr. Lai also has positions in listed companies, he is currently (i) an independent non-executive director of Goldstone Investment Group Limited (stock code: 901), the shares of which are listed on the main board of the Stock Exchange; and (ii) an independent director of Dragon Victory International Limited (NASDAQ: LYL), the shares of which are listed on The Nasdaq Capital Market. He was an executive director and a chief executive officer of the DTXS Silk Road Investment Holdings Company Limited (stock code: 620), the shares of which are listed on the main board of the Stock Exchange, since 7 August 2017 and re-designated to be an executive director and a co-chief executive officer on 16 June 2020 until 31 August 2020.

#### *Senior Management*

**Mr. Fok Wai Hung** (“**Mr. Fok**”), aged 45, is the financial controller of the Group. Mr. Fok is responsible for the overall financial management and reporting and the corporate secretarial matters of the Group. He joined the Group in December 2014 as finance manager of My Heart Bodibra Limited (formerly known as My Heart Lingerie Limited), an indirect wholly-owned subsidiary of the Company. Mr. Fok has over 13 years of experience in auditing, accounting and financial management. Mr. Fok is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

#### **(b) Business address of the Directors, the senior management and authorised representatives**

The business address of the Directors, the senior management and authorised representatives is the same as the Company's principal place of business in Hong Kong located at 1/F., Lok Kui Industrial Building, 6–8 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

### **13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “Expert and Consent” in this appendix have been delivered to and registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

#### 14. BINDING EFFECT

The Prospectus Documents 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. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

#### 15. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised three independent non-executive Directors, namely, Mr. Tang Yiu Kay, Mr. Lai Kim Fung and Mr. Tong Zhu. The Audit Committee is chaired by Mr. Tang Yiu Kay. The primary duties of the Audit Committee include, among others, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing the financial statements, the annual report and accounts, the half-year report and the quarterly reports and significant financial reporting judgements contained therein; and (c) reviewing the financial controls, internal control and risk management systems.

#### 16. DOCUMENTS ON DISPLAY

The following documents will be made available for display on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.bodibra.com>) during the period of 14 days from the date of this Prospectus:

- (a) the annual report of the Company for the years ended 31 March 2020, 2021 and 2022 respectively;
- (b) the material contracts referred to in the paragraph under the heading “8. Material Contracts” in this appendix;
- (c) the accountants’ report on the unaudited pro forma financial information of the Group in respect of the Rights Issue as set out in Appendix II to this Prospectus;
- (d) the written consent of the expert referred to in the paragraph headed “9. Expert and Consent” in this appendix; and
- (e) the Prospectus Documents.



**17. 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) The English text of this Prospectus shall prevail over their respective Chinese text for the purpose of interpretation.
- (c) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.