
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in CBK Holdings Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

CBK Holdings Limited

國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

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

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed “LETTER FROM THE BOARD – Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be Friday, 9 June 2023). 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.

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

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 19 May 2023 to Monday, 29 May 2023 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 19 May 2023 to Monday, 29 May 2023 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 1 June 2023. The procedure for acceptance and payment or transfer is set out on pages 16 to 17 of this Prospectus.

17 May 2023

CHARACTERISTICS OF GEM

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

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

CONTENTS

	<i>Page</i>
CHARACTERISTICS OF GEM	i
EXPECTED TIMETABLE	1
DEFINITIONS	3
LETTER FROM THE BOARD	9
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III — GENERAL INFORMATION	III-1

EXPECTED TIMETABLE

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

Expected Timetable	Date 2023
First day of dealing in nil-paid Rights Shares (in the board lot size of 10,000 Shares)	Friday, 19 May
Latest time for splitting of the PAL	4:00 p.m. on Tuesday, 23 May
Last day of dealing in nil-paid Rights Shares (in the board lot size of 10,000 Shares)	Monday, 29 May
Latest Time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangement	4:00 p.m. on Thursday, 1 June
Latest Time for Acceptance of and payment for the Rights Shares.	4:00 p.m. on Thursday, 1 June
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Monday, 5 June
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent.	Tuesday, 6 June
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent.	4:00 p.m. on Thursday, 8 June
Latest Time for Termination	Friday, 9 June
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Tuesday, 13 June
Despatch of refund cheques, if any, if the Rights Issue is terminated, on or before.	Wednesday, 14 June
Despatch of share certificates of fully-paid Rights Shares	Wednesday, 14 June

EXPECTED TIMETABLE

Expected Timetable	Date 2023
Expected first day of dealings in fully-paid Rights Shares.	Thursday, 15 June
Effective date of the new board lot size (in the board lot size of 10,000 Shares).	Thursday, 15 June
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares.	9:00 a.m. on Thursday, 15 June
Payment of Net Gain to relevant No Action Shareholders (if any).	Friday, 30 June
Designated broker ceases to stand in the market to provide matching services for odd lots of the Shares.	4:00 p.m. on Friday, 14 July

All time and dates in this Prospectus are references to Hong Kong local time and dates.

Dates or deadlines stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any further changes to the expected timetable for the Rights Issue will be announced by the Company as and when appropriate.

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

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

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 1 June 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 1 June 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place at or before 4:00 p.m. on Thursday, 1 June 2023, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the meanings as set out below:

“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 6 March 2023 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the Board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares per board lot to 10,000 Shares per board lot
“Circular”	the circular of the Company dated 14 April 2023 in relation to, among other things, the Rights Issue
“Company”	CBK Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Stock Exchange (stock code: 8428)

DEFINITIONS

“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this Prospectus
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened and held on 3 May 2023 for the purpose of considering and, if thought fit, approving, among other things, the Rights Issue and the transactions contemplated thereunder
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it 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)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)

DEFINITIONS

“Last Trading Day”	6 March 2023 being the last trading day of the Shares on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	9 May 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 1 June 2023 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	Friday, 9 June 2023 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements
“Net Proceeds”	the net proceeds of the Rights Issue, after deducting all relevant expenses
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that has/have not been sold by the Company

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Excalibur Global Financial Group Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO, being the placing agent appointed by the Company for the Placing
“Placing Agreement”	the placing agreement dated 6 March 2023 and entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Tuesday, 6 June 2023, and ending at the 4:00 p.m. on Thursday, 8 June 2023
“Placing Shares”	all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus dated 17 May 2023 despatched by the Company to the Shareholders containing details of the Rights Issue

DEFINITIONS

“Prospectus Documents”	collectively, the Prospectus and PAL
“Prospectus Posting Date”	the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 16 May 2023 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of five (5) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	new Shares proposed to be allotted and issued pursuant to the Rights Issue, being up to 77,757,995 Rights Share
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 20 January 2017
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.265 per Rights Share

DEFINITIONS

“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

LETTER FROM THE BOARD

CBK Holdings Limited

國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

Executive Directors:

Mr. Chow Yik

Mr. Tsui Wing Tak

Independent non-executive Directors:

Mr. Chan Kwan Yung

Mr. Chong Alex Tin Yam

Ms. Lau Man Kei

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

Unit 3205, 32/F

West Tower Shun Tak Centre

No. 168–200, Connaught Road Central

Hong Kong

17 May 2023

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcements of the Company dated 6 March, 28 March 2023 and the Circular, in relation to, among other things, the Rights Issue. The Company proposed to implement the Rights Issue on the basis of five (5) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.265 per Rights Share, to raise up to approximately HK\$20.61 million by issuing 77,757,995 Rights Shares to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any). On 6 March 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent places on a best effort basis.

LETTER FROM THE BOARD

At the EGM convened and held on 3 May 2023, the necessary resolution for approving, among other things, the Rights Issue including the Placing Agreement and the transactions contemplated respectively thereunder was duly passed by the Independent Shareholders.

The purpose of this Prospectus is to provide you, among other things, details of the Rights Issue, certain financial information and other general information of the Company as required under the GEM Listing Rules.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	Five (5) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.265 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	15,551,599 Shares
Number of Rights Shares	:	Up to 77,757,995 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$777,579.95
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	Up to 93,309,594 Shares

As at the Latest Practicable Date, there are 258,400 outstanding Share Options for subscription of an aggregate amount of 258,400 Shares under the Share Option Scheme, which are exercisable during a 10-year period from 10 January 2022 (being the date of grant of the Share Options), and no Share Option has been exercised by the Share Options holders as at the Latest Practicable Date. Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

As there are no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date, 77,757,995 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 500% of the total number of issued Shares as at the Latest Practicable Date; and (ii) 83.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares will be placed to independent places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up their entitlement under the Rights Issue nor any undertaking from any Shareholders that they will undertake to subscribe for the Rights Shares.

Despite the Rights Issue is conducted on a non-underwritten basis, any Rights Shares not subscribed by the Qualifying Shareholders (i.e. the Unsubscribed Rights Shares), including the NQS Unsold Rights Shares (if any) will be placed by the Placing Agent on the market to independent places on a best effort basis.

Subscription Price

The Subscription Price is HK\$0.265 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 15.87% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of approximately 14.24% to the average of the closing prices of HK\$0.309 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 13.11% to the average of the closing prices of HK\$0.305 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 14.79% to the average of the closing prices of HK\$0.311 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 2.93% to the theoretical ex-rights price of approximately HK\$0.273 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 13.23%, represented by the theoretical diluted price of approximately HK\$0.273 per Share to the benchmarked price of HK\$0.315 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.315 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the Last Trading Day of approximately HK\$0.303 per Share);
- (vii) a discount of approximately 50.93% to the closing price of HK\$0.540 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (viii) a discount of approximately 79.07% to the audited net asset value per Share of approximately HK\$1.266 (based on the latest published consolidated net asset value of the Group of approximately HK\$19,681,000 as at 31 March 2022 as disclosed in the annual report of the Company for the year ended 31 March 2022 and 15,551,599 Shares in issue as at the Latest Practicable Date).

The net price per Rights Share (i.e., Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.243. The estimated Net Proceeds after deducting the related expenses of the Rights Issue will be approximately HK\$18.92 million.

LETTER FROM THE BOARD

The Subscription Price and the subscription rate (i.e. five (5) Rights Shares for every one (1) Share held on the Record Date) was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the prevailing market conditions of the capital market in Hong Kong and the impact of COVID-19 pandemic; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” in this Prospectus.

In determining the Subscription Price, which represents a discount of approximately 15.87% to the closing price of HK\$0.315 per Share on the Last Trading Day, the Directors have considered, among other things, as mentioned above, market price of the Shares traded on the Stock Exchange from 28 November 2022 to the Last Trading Day, representing approximately three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with closing price ranges between the lowest closing price of HK\$0.270 per Share on 3 January 2023, 4 January 2023, 17 January 2023, and 31 January 2023 and the highest closing price of HK\$0.380 per Share on 28 November 2022, 29 November 2022, 30 November 2022, 5 January 2023 and 3 March 2023. In general, the daily closing price per Share during the Relevant Period demonstrates a downward trend.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company has sent the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company has sent copies of the Prospectus to them for their information only, but no PAL has been sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company, and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

LETTER FROM THE BOARD

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.

Rights of Overseas Shareholders

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

Based on the register of members of the Company as at the Latest Practicable Date, there is one Overseas Shareholder holding of 80,000 Shares representing approximately 0.51% of the total number of issued Shares, whose address on register of members of the Company is in the BVI (the “**BVI Shareholder**”).

In compliance with the GEM Listing Rules, the Directors have made enquiries with legal adviser of the BVI on whether or not under the laws of the BVI, the Rights Issue could be extended to the BVI Shareholder. The legal adviser to the Company as to the BVI laws is of view that there are no applicable securities or other laws or regulations in the BVI or any requirements of the relevant regulatory body or stock exchange in the BVI which would limit or restrict the Rights Issue and the dispatching of the Prospectus Documents to the BVI Shareholder; and there are no applicable procedures and/or requirements in connection with the extension of the Rights Issue and the dispatching of the Prospectus Documents to the BVI Shareholder. Accordingly, the extension of the Rights Issue to the BVI Shareholder and the offering of the Rights Shares to it will not violate any applicable law or regulations in the BVI. It is the responsibility of the BVI Shareholder to observe the local legal and regulatory requirements applicable to it for taking up and onward sale (if applicable) of the Rights Shares. Based upon such advice, the Directors have decided to extend the Rights Issue to the BVI Shareholder, and the BVI Shareholder shall therefore be a Qualifying Shareholder.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for 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 fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. 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 or other laws or regulations of any jurisdiction.

LETTER FROM THE BOARD

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

Arrangement for the Non-Qualifying Shareholders Rights Shares

The Company will send the Prospectus (without the PAL) to the Non-Qualifying Shareholders for their information only.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholder(s). The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be offered for subscription by the Placing Agent to the placees under the Placing.

Basis of provisional allotment

The basis of the provisional allotment shall be five (5) Rights Shares for every one (1) Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

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

Fractional entitlements to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company.

LETTER FROM THE BOARD

Odd lots matching services

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue and the Change in Board Lot Size, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact the Placing Agent at (852) 2844-9876 or by facsimile at (852) 2526-0618 during the period from 9:00 a.m. on Thursday, 15 June 2023 to 4:00 p.m. on Friday, 14 July 2023 (both days inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by not later than 4:00 p.m. on Thursday, 1 June 2023. 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 "**CBK HOLDINGS LIMITED – PROVISIONAL ALLOTMENT ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 1 June 2023, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Tuesday, 23 May 2023 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 Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

LETTER FROM THE BOARD

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 will be retained for the benefit of the Company. 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 banker's cashier 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.

If the conditions of the Rights Issue as set out in the section headed "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 Wednesday, 14 June 2023.

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

Status of the Rights Shares

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Wednesday, 14 June 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. In the event that the Rights Issue is terminated, refund cheques are expected to be posted on or before Wednesday, 14 June 2023 by ordinary post, at their own risk, to their registered addresses.

Stamp duty and other applicable fees

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

LETTER FROM THE BOARD

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

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

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 6 March 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 8 June 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

LETTER FROM THE BOARD

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

Application for listing of the Rights Shares

The Company has applied to the GEM Listing Committee for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The Rights Shares, in both their nil-paid and fully-paid forms, will be traded in the board lots of 10,000 Shares, being the new board lot size upon the Change in Board Lot Size becoming effective. No part of the securities of the Company is listed or dealt in or on which listing or permission to dealing is being or is proposed to be sought on any other stock exchange.

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the Rights Issue having been approved by the Independent Shareholders at the EGM;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the Directors (and all other

LETTER FROM THE BOARD

documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;

- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date;
- (iv) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the business day prior to the first day of their dealings;
- (v) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands; and
- (vi) the Placing Agreement not being terminated.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the above conditions are not fulfilled on or before the Latest Time for Termination, the Rights Issue will not proceed. As at the Latest Practicable Date, the above condition (i) is fulfilled and all the other conditions remain unfulfilled.

Placing Agreement for the Unsubscribed Rights Shares and NQS Unsold Rights Shares

Details of the Placing Agreement are summarised as follows:

Date	:	6 March 2023 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Excalibur Global Financial Group Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties.

LETTER FROM THE BOARD

- Placing Period : A period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be 6 June 2023, and ending at 4:00 p.m. on 8 June 2023 or such later date as the Company and the Placing Agent may agree in writing.
- Commission and expense : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 3.5% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- For the avoidance of doubt, no placee shall become a substantial shareholder of the Company as a result of the Placing. The Company will continue to comply with the public float requirements under Rule 11.23(7) of the GEM Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.

LETTER FROM THE BOARD

Conditions of the Placing Agreement : The Placing is conditional upon the fulfillment of the following conditions:

- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;
- (ii) the approval of the Rights Issue by the Independent Shareholders at the EGM;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled or waived (where applicable) on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof). As at Latest Practicable Date, the above condition (ii) is fulfilled and all the other conditions remain unfulfilled.

LETTER FROM THE BOARD

The terms of the Placing Agreement, including the commission payable, was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to (i) the market comparables including the placing commissions of the recent proposed rights issue announced by the companies listed on GEM of the Stock Exchange within 12 months prior to the Last Trading Day which are ranged from 1% to 7.07%; (ii) the loss of the Company of approximately HK\$16.95 million for the nine months ended 31 December 2022; (iii) the gross proceeds of the Rights Issue of HK\$20.61 million; and (iv) the downward trend of the daily closing price of the Shares of the Company during the Relevant Period. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

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

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole:

- (i) the arrangements are in compliance with the requirements under Rule 10.31(1)(b) of the GEM Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company;
- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the placing Shares. The Placing Agent and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) are Independent Third Parties; and
- (iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company.

LETTER FROM THE BOARD

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

The Company is an investment holding company and the Group is principally engaged in (i) the provision of food catering services through restaurant; and (ii) sales and processing of food in Hong Kong.

The maximum Net Proceeds is estimated to be approximately HK\$18.92 million. The estimated net subscription price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$0.243. The Company intends to apply the Net Proceeds for the following proposes: (i) approximately 58.14% (or approximately HK\$11.00 million) will be used for expansion of existing food and beverage business; (ii) approximately 27.48% (or approximately HK\$5.20 million) will be used for the repayment of debts; and (iii) approximately 14.38% (or approximately HK\$2.72 million) will be used as the general working capital of the Group.

Expansion of existing food and beverage business

In order to expand the Group's existing business, the Group plans to open two new restaurants. The Net Proceeds will mainly be utilised for the initial set up costs (the "**Set Up Costs**") for the New Restaurants, including but not limited to initial rental costs and deposit, renovation, staff cost, furniture and set up of IT operation system, details of which are as follows:

- (i) approximately HK\$5.50 million will be utilised as the Set up Costs for a new restaurant with an expected area of over 3,500 square feet to be located in Causeway Bay, Hong Kong Island ("**Restaurant A**"); and
- (ii) approximately HK\$5.50 million will be utilised as the Set up Costs for a new restaurant with an expected area of over 4,000 square feet to be located in Yau Tsim Mong ("**Restaurant B**").

LETTER FROM THE BOARD

As at Latest Practicable Date, the Company has identified two suitable premises for two new restaurants, details are set out below:

	Location	Gross floor area (<i>approx. sq. ft.</i>)	Expected rental per month	Expected term	Expected cuisine type	Expected Capacity	Expected Available
Restaurant A	Causeway Bay	Over 3,500	47	2 to 3 years	Japanese style cuisine	80 seats	The premise is vacant
Restaurant B	Yau Tsim Mong	Over 4,000	48	2 to 3 years	Japanese style cuisine	80 seats	The premise is vacant

The Restaurant A will be located in Causeway Bay and the Restaurant B will be located in Yau Tsim Mong (collectively, “**New Restaurants**”). New Restaurants will offer Japanese style cuisine and target customers at middle to high-end class. Considering the expected capacity of the New Restaurants, the Company plans to hire 4–7 kitchen staff (including chefs and kitchen helpers), 4–8 waiters/waitresses, and 1–3 cleaners for each of the New Restaurants. As at the Latest Practicable Date, the Company is in the process of negotiating the terms of the lease with the relevant landlords. The Company will comply with the relevant disclosure requirements under Chapter 19 of the GEM Listing Rule as and when appropriate regarding the lease of New Restaurants.

Since December 2022, the Hong Kong government has further relaxed the restrictions on operation of restaurants in Hong Kong, including the lifting of the requirement for members of the public to scan the “Leave Home Safe” venue QR code and vaccine pass QR code when entering premises, members of the public have gradually resumed their normal life in an orderly manner. The Board believed that the negative impact of the COVID-19 pandemic to the food catering service industry in Hong Kong has gradually decreased and anticipates an optimistic consumer sentiments for the years ahead. In addition, the COVID-19 testing requirement for the cross-border travellers and pre-departure testing and vaccination requirements for overseas arrivals have been cancelled, local catering industry will be benefited from the influx of overseas travellers and cross-border travellers from mainland China, therefore the Board is of the view that it is optimal time for the Group to expand its food and beverage business.

LETTER FROM THE BOARD

Repayment of debts

As at the Latest Practicable Date, the Group has outstanding bonds of an aggregate principal amount of HK\$5.00 million which was applied for as the general working capital of the Group. The bonds are unsecured and carries coupon interest rate of 48%, 48%, 30% and 48% per annum respectively and are due by 2023 third and fourth quarters, details are set out below:

	Amount	Coupon Interest Rate Per	Date of Issue	Due Date
	<i>HK\$</i>	Annun		
Bondholder A	1,000,000	48%	29 January 2023	28 July 2023
Bondholder A	500,000	48%	19 February 2023	18 August 2023
Bondholder B	1,500,000	30%	18 January 2023	17 October 2023
Bondholder C	2,000,000	48%	20 January 2023	19 July 2023

Note: Bondholder A, bondholder B and bondholder C are Independent Third Parties.

As the Rights Issue will be on a non-underwritten basis, the actual amount of the Net Proceeds cannot be ascertained at this point. In the event that the Rights Issue is under-subscribed, the Net Proceeds will be adjusted by the Company accordingly and will be applied by the Company in the following order of priority:

- (i) for the repayment of debts;
- (ii) for the expansion of existing food and beverage business; and
- (iii) for the general working capital of the Group.

In the event that the Rights Issue is under-subscribed and the Net Proceeds is not sufficient for the setup of the New Restaurants after repayment of debts, the Net Proceeds will be applied for the setup of one of the New Restaurants after the repayment of debt, and any remaining proceeds (if any) will be applied for general working capital of the Group. The Company may also further explore other fundraising alternatives to meet the expected funding needs for the next 12 months. Depending on the results of such fundraising activities, the expansion of the food and beverage business may or may not proceed.

LETTER FROM THE BOARD

The Board has considered various ways of fund raising and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers 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 Company had preliminarily consulted brokerage companies for underwriting the Rights Issue but has not received any favourable feedback due to the current capital market situation. The Company had also consulted broker companies and the Placing Agent expressed its interest in acting as a placing agent on best effort basis with reasonable terms.

The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. The Company has contacted certain banks for bank loan facilities, upon the discussion, the Board considers that the debt financing, which requires asset pledge or relatively higher interest rate, will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. As at 31 December 2022, the gearing ratio of the Group, calculated by dividing total borrowing by total equity, was approximately 179.2%. 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. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent, assuming no change in the shareholding structure of the Company on or before completion of the Rights Issue:

	(i) As at the Latest Practicable Date		(ii) Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		(iii) Immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and all Unsubscribed Rights Shares have been placed by the Placing Agent	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>Approx. %</i>
Public Shareholders	15,551,599	100.00	93,309,594	100.00	15,551,599	16.67
Independent placees	–	–	–	–	77,757,995	83.33
Total	15,551,599	100.00	93,309,594	100.00	93,309,594	100.00

As illustrated in the above table, if the Shareholders elect not to participate in the Rights Issue, their shareholding interests in the Company will be diluted by approximately 83.33%.

LETTER FROM THE BOARD

FUND RAISING EXERCISE IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity during the twelve months immediately preceding the date of the Announcement and up to the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised (Approximately)	Proposed use of proceeds	Actual use of proceeds as at the date of the Announcement
31 May 2022	Placing of new shares under general mandate	HK\$2.84 million	For the general working capital of the Group	All net proceeds have been utilised as intended.

Save as disclosed above, the Company did not raise any other funds by issue of equity securities during the twelve months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

POSSIBLE ADJUSTMENTS RELATING TO THE SHARE OPTIONS

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the Share Option Scheme. Such adjustments will be certified by the auditor of the Company in accordance with the terms of the Share Option Scheme. The Company will notify the holders of the Share Options the adjustments upon the Rights Issue becoming unconditional by further announcement(s), if necessary.

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

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval by the Independent Shareholders at the EGM by poll in accordance with the requirements of Rule 10.29(1) of the GEM Listing Rules and any controlling shareholder and their respective associates or where there is no controlling shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue.

LETTER FROM THE BOARD

As at the date of the EGM, (i) the Company did not have any controlling shareholder; and (ii) to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors or the chief executive of the Company or their respective associates were interested in any Share, therefore no Shareholders were required to abstain from voting of the Rights Issue in accordance with Rule 10.29(1) of the GEM Listing Rules.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention.

Risk relating to the Group

- (i) we are susceptible to instances of food poisoning, customer complaints and any other negative publicity associated with our restaurants or food safety in general, in which case value of our brands may suffer;
- (ii) hotpot dining, Japanese cuisine and Korean BBQ may lose popularity and our financial conditions and future growth may be adversely affected;
- (iii) the lack of suitable locations on commercially viable terms, the increase in rental expenses and failure to renew existing leases of the leased properties may adversely affect our results of operations;
- (iv) our profitability is dependent upon the spending power of our target consumers and a decline of such spending power may adversely affect our business;
- (v) opening new hotpot restaurants may result in fluctuations in our financial performance;
- (vi) our overall performance may be affected by temporary suspension of our operations for renovation and closure of certain restaurants; and

LETTER FROM THE BOARD

(vii) our success depends on our key personnel and our ability to attract, motivate and retain a sufficient number of qualified employees.

Risk relating to the Share price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares on the open market and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in Hong Kong could cause the market price of the Shares to change substantially.

Risk relating to the Rights Issue

Under the Placing Agreement, the Placing Agent shall be entitled by notice in writing to the Company to terminate its obligations upon the occurrence of any of the terminating events as stipulated under the Placing Agreement on or before the Latest Time for Termination.

Moreover, should the Rights Issue proceed as intended, the interest of the existing Shareholders will be diluted if they do not or cannot, as the case may be, subscribe for the Rights Shares which they are entitled to.

Economic and political risks

The business operations of the Group are primarily based in Hong Kong, any significant change in the general economic and political developments in Hong Kong may adversely affect the Group's operations and financial position.

Additional risks

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the business of the Group in a material aspect.

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

The Shares have been dealt on an ex-rights basis from Monday, 8 May 2023. Dealings in the nil-paid Rights Shares are expected to take place from Friday, 19 May 2023 to Monday, 29 May 2023 (both days inclusive). If the conditions of the Rights Issue (please refer to the paragraph headed "Conditions of the Rights Issue" in this Prospectus) are not fulfilled, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid rights is advised to exercise caution when dealing in the Shares and/ or the nil-paid rights.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person 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 advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid rights up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus. In the event that any inconsistency between English and Chinese version of this Prospectus, the English will prevail.

By Order of the Board
CBK Holdings Limited
Chow Yik
Chairman and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

The audited financial information of the Group for each of the three financial years ended 31 March 2020, 2021 and 2022, and the unaudited financial information of the Group for the three months ended 30 June 2022, the six months ended 30 September 2022, and the three and nine months ended 31 December 2022 were disclosed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.cbk.com.hk>). Set out below are links to the relevant financial reports of the Company:

- (i) The annual report of the Company for the year ended 31 March 2022 published on 27 June 2022 (pages 83 to 192):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0627/2022062700033.pdf>

- (ii) The annual report of the Company for the year ended 31 March 2021 published on 17 June 2021 (pages 78 to 176):

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0617/2021061700237.pdf>

- (iii) The annual report of the Company for the year ended 31 March 2020 published on 30 June 2020 (pages 77 to 168):

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0630/2020063001678.pdf>

- (iv) The first quarterly report of the Company for the three months ended 30 June 2022 published on 10 August 2022 (pages 6 to 23):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0810/2022081000343.pdf>

- (v) The interim report of the Company for the six months ended 30 September 2022 published on 11 November 2022 (pages 6 to 30):

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/1111/2022111101089.pdf>

- (vi) The third quarterly report of the Company for the three and nine months ended 31 December 2022 published on 13 February 2023 (pages 6 to 23):

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0213/2023021300504.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 March 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

(a) Interest-bearing borrowings

The Group has outstanding bonds with aggregate principal amounts of HK\$5.00 million at 31 March 2023. The bonds are unsecured, carry effective interest rate at range from 30% to 48% per annum and are repayable within one year of which one of the bonds with principal amount of HK\$2.00 million is guaranteed by the Company and the Chairman of the Company.

(b) Lease liabilities

At 31 March 2023, the Group had lease liabilities of approximately HK\$7,220,000.

	At 31 March 2023 <i>HK\$'000</i> (Unaudited)
Amount payable – current portion	4,625
Amount payable – non-current portion	<u>3,396</u>
	8,021
Less: future finance charges	<u>(801)</u>
	<u><u>7,220</u></u>

As at 31 March 2023, the weighted average incremental borrowing rate for lease liabilities of the Group was 5.3% per annum.

(c) Amount due to non-controlling interests

At 31 March 2023, the amount due to non-controlling interests of approximately HK\$1,967,000 are unsecured, interest-free and repayable on demand.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 31 March 2023, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade payables), acceptance credits, or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including the existing cash and bank balances, available facilities and the estimated net proceeds from the Rights Issue and the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As stated in the profit warning announcement of the Company dated 1 August 2022, the Group was expected to record an increase in loss attributable to owners of the Company for three months ended 30 June 2022 by approximately HK\$3.6 million, as compared to a loss attributable to owners of the Company of approximately HK\$1.6 million for the corresponding period in last year. To the best knowledge of the Directors, this was mainly attributable to (a) no profit recognized from discontinued operations attributable to owners of the Company of approximately HK\$1.1 million recognized in three months ended 30 June 2022 due to deconsolidation of manufacture and sales of frozen aquatic products industry in last financial year; (b) the decrease in revenue from continuing operations by approximately HK\$1.3 million due to decrease in eating outside and consumption intention causing by the restriction on operation of restaurants by the Hong Kong Government after the outbreak of the fifth wave of COVID-19 pandemic; and (c) the increase in operating costs from continuing operations by approximately HK\$1.2 million due to provision of catering service and new restaurant commenced its operation since the first quarter of 2022.

As stated in the profit warning announcement of the Company dated 9 November 2022, the Group was expected to record an increase in loss from continuing operation attributable to owners of the Company for the six months ended 30 September 2022 by approximately HK\$5.7 million, as compared to a loss from continuing operation attributable to owners of the Company of approximately HK\$7.3 million for the corresponding period in last year. To the best knowledge of the Directors, this was mainly attributable to (a) decrease in revenue by approximately HK\$1.3 million in the six months ended 30 September 2022 due to decrease in eating outside and consumption intention causing by the restriction on operation of restaurants by the Hong Kong Government after the outbreak of the fifth wave of COVID-19 pandemic; (b) the increase in depreciation for central kitchen and two new restaurants started operation on or after December 2021 by approximately HK\$2.4 million; and (c) the increase in operating costs from continuing operations by approximately HK\$2.7 million due to provision of catering

service and two new restaurants commenced its operation on or after December 2021. The loss are partially offset by increase in government subsidies of approximately HK\$0.9 million.

As stated in the profit warning announcement of the Company dated 7 February 2023, the Group was expected to record an increase in loss from continuing operation attributable to owners of the Company for the nine months ended 31 December 2022 by approximately HK\$2.0 million, as compared to a loss from continuing operation attributable to owners of the Company of approximately HK\$15.0 million for the corresponding period in last year. To the best knowledge of the Directors, this was mainly attributable to the increase in depreciation for central kitchen and two new restaurants started operation on or after December 2021 by approximately HK\$3.4 million. After exercise more cost control which resulted to a decrease in costs from continuing operation which partially offset the loss by approximately HK\$1.5 million.

As at the Latest Practicable Date, save as aforesaid, the Directors confirm there had been no 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 financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT

The Group is principally engaged in (i) the provision of food catering services through restaurant; and (ii) sales and processing of food in Hong Kong.

For the year ended 31 March 2022, the Group's continuing operations revenue amounted to approximately HK\$27.30 million, representing an increase of approximately 116.15% when compared to that of approximately HK\$12.63 million for last year. The Group's revenue was mainly derived from the increase in revenue of the provision of catering services through restaurant operations in Hong Kong.

For the nine months ended 31 December 2022, the Group's continuing operations revenue amounted to approximately HK\$21.14 million, representing a decrease of approximately 0.66% when compared to that of approximately HK\$21.28 million for the corresponding period in last year. The Group's revenue was mainly derived from the provision of catering services through restaurant operations in Hong Kong.

During the current financial year, the deterioration in the Group's results was mainly attributable to the adverse impact to our business arising from the outbreak of the COVID-19 pandemic as well as social distancing restrictions and measures effective in Hong Kong during the period, especially the fifth wave of the COVID-19 pandemic in Hong Kong. Nevertheless, the management the Group has implemented cost-saving measures including negotiating with our landlords for rent concessions and adopted certain sales stimulating measures including but not limited to increasing marketing efforts and expanding the take-away product line, to partially offset the aforesaid adverse impacts.

Going forward, the management expects that the loosening of social distancing restrictions and measures may boost the overall sentiment of the consumers. While there are still many uncertainties regarding the COVID-19 pandemic and operating prospect, the management will closely monitor the latest development and consider any potential opportunities to leverage on the improvement of the sentiments to recover the respective business of our restaurants. Subject to the successful completion of the Rights Issue, the Company plans to open two new restaurants to expand the footprint on food and beverages.

The management will also continue to strive to control the rising operating cost on manpower, utilities and food.

For illustrative purposes, the financial information prepared in accordance with paragraph 7.31 of the GEM Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 30 September 2022. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

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

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules is set out to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 September 2022.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2022, as extracted from the published interim report of the Company for the six months ended 30 September 2022, with adjustments described below.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 HK\$'000 (Note i)	Estimated net proceeds from the Rights Issue HK\$'000 (Note ii)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets of the Group per Share attributable to owners of the Company as at 30 September 2022 HK\$ (Note iii)	Unaudited pro forma adjusted consolidated net tangibly assets of the Group per Share attributable to owners of the Company immediately after completion of the Rights Issue HK\$ (Note iv)
Rights Issue of 77,757,995 Rights Shares	14,029	18,920	32,949	0.90	0.35

Notes:

- (i) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$14,029,000 as at 30 September 2022 is based on the unaudited consolidated financial position of the Group attributable to owners of the Company as at 30 September 2022 of approximately HK\$14,029,000 as extracted from the published interim report of the Company for the six months ended 30 September 2022.
- (ii) The estimated net proceeds from the Rights Issue of approximately HK\$18,920,000 is calculated based on 77,757,995 Rights Shares to be issued (in the proportion of five (5) Rights Shares for every one (1) existing share held as at the Record Date) at the subscription price of HK\$0.265 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,686,000 assuming that the Rights Issue had been completed on 30 September 2022.
- (iii) The unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 30 September 2022 is approximately HK\$0.90, which is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 of approximately HK\$14,029,000 divided by 15,551,599 Shares in issue as at 30 September 2022.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

- (iv) The unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to owners of the Company immediately after completion of the Rights Issue is approximately HK\$0.35, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK\$32,949,000 divided by 93,309,594 Shares, which represents the sum of 15,551,599 Shares in issue as at 30 September 2022 and the Record Date and 77,757,995 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of five (5) Rights Shares for every one (1) existing share held as at the Rights Issue record date), are in issue assuming that the Rights Issue had been completed on 30 September 2022.

- (v) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2022.

The following is the text of a report received from Mazars CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

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

mazars
中 审 众 环

MAZARS CPA LIMITED

中審眾環（香港）會計師事務所有限公司

42nd Floor, Central Plaza

18 Harbour Road, Wanchai, Hong Kong

香港灣仔港灣道18號中環廣場42樓

Tel 電話：(852) 2909 5555

Fax 傳真：(852) 2810 0032

Email 電郵：info@mazars.hk

Website 網址：www.mazars.hk

17 May 2023

The Board of Directors
CBK Holdings Limited
Unit 3205, 32/F
West Tower Shun Tak Centre
168–200 Connaught Road Central, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CBK Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2022 and related notes as set out on pages II-1 to II-3 of the prospectus dated 17 May 2023 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page II-1 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 77,757,995 rights shares at HK\$0.265 per rights shares (the “**Rights Shares**”) on the basis of five Rights Shares for every one existing share of the Company held on the rights issue record date (the “**Rights Issue**”) on the Group’s unaudited consolidated net tangible assets attributable to owners of the Company as at 30 September 2022 as if the Rights Issue had taken place on 30 September 2022. As part of this process, information about the Group’s unaudited consolidated financial position has been extracted by the Directors from the published interim report of the Company for the six months ended 30 September 2022.

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**”).

Reporting accountants' independence and quality control

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

We apply Hong Kong Standard on Quality Control 1 (Clarified) “*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*” issued by the HKICPA and accordingly maintain 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 accountants' 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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 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 the unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 September 2022 would have been as presented.

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

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

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors 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,

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

2. SHARE CAPITAL

The authorised and issued and fully paid share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue will be as follows:

i. As at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000.00</u>
<i>Issued and paid-up share capital:</i>		
<u>15,551,599</u>	Shares of HK\$0.01 each	<u>155,515.99</u>

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

<i>Authorised:</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares of HK\$0.01 each	<u>100,000,000.00</u>
 <i>Issued and paid-up share capital:</i>	
15,551,599 Shares of HK\$0.01 each	155,515.99
77,757,995 Rights Shares to be allotted and issued upon completion of the Rights Issue of HK\$0.01 each	777,579.95
<u>93,309,594</u> Shares in issue immediately after completion of the Rights Issue of HK\$0.01 each	<u>933,095.94</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

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

As at the Latest Practicable Date, there are 258,400 outstanding Share Options for subscription of an aggregate amount of 258,400 Shares under the Share Option Scheme, which are exercisable during a 10-year period from 10 January 2022 (being the date of grant of the Share Options), and no Share Option has been exercised by the Share Option holders as at the latest Practicable Date. Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date. Save as aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

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

3. DISCLOSURE OF INTERESTS

i. Directors and chief executive's interests in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 are taken or deemed to have under such provisions of the SFO), or were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Interests in the Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of underlying Shares (Note 1)	Approximate percentage of the total issued Shares
Mr. Chow Yik (Note 2)	Beneficial owner	129,200 (L)	0.83%
Mr. Tsui Wing Tak (Note 2)	Beneficial owner	129,200 (L)	0.83%

Notes:

1. "L" denotes long position.
2. As at the Latest Practicable Date, each of the option holder holds 129,200 share options which were granted on 10 January 2022 pursuant to the Share Option Scheme. Therefore, under Part XV of the SFO, Mr. Chow Yik and Mr. Tsui Wing Tak are taken to be interested in the underlying Shares that they are entitled to subscribe for subject to the exercise of and/or the validity period of the share options granted.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

ii. Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed 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, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 March 2022 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

7. LITIGATION

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

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group after the date falling two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

- (i) the Placing Agreement;
- (ii) the placing agreement dated 31 May 2022 entered into between the Company and Grand China Securities Limited in relation to the placing of up to 77,759,999 Shares on a best effort basis, at the placing price of HK\$0.038 per placing share. For further details, please refer to the announcement of the Company dated 31 May 2022;
- (iii) the placing agreement dated 15 December 2021 entered into between the Company and Orient Securities Limited in relation to the placing of up to 28,800,000 Shares on a best effort basis, at the placing price of HK\$0.12 per placing share. For further details, please refer to the announcement of the Company dated 15 December 2021; and
- (iv) the conditional placing agreement dated 23 June 2021 entered into between the Company and Grand China Securities Limited in relation to the placing of Shares of the Company pursuant to the rights issue previously conducted by the Company as announced on 23 June 2021 and completed in September 2021. For further details, please refer to the announcements of the Company dated 23 June 2021 and 3 September 2021.

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
Mazars CPA Limited	Certified Public Accountant

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

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

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2022, being the date to which the latest published audited accounts of the Company were made up.

10. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Board of Directors	<i>Executive Directors</i>
	Mr. Chow Yik
	Mr. Tsui Wing Tak
	<i>Independent Non-Executive Directors</i>
	Mr. Chan Kwan Yung
	Mr. Chong Alex Tin Yam
	Ms. Lau Man Kei
Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Unit 3205, 32/F, West Tower Shun Tak Centre No. 168–200 Connaught Road Central Hong Kong
Compliance officer	Mr. Chow Yik

Authorised representatives	Mr. Chow Yik Mr. Chan Chiu Hung Alex
Company secretary	Mr. Chan Chiu Hung Alex
Financial Adviser	Gransing Securities Co., Limited Unit 4103, 41/F Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Auditors and reporting accountants	Mazars CPA Limited 42/F, Central Plaza 18 Harbour Road Wanchai, Hong Kong
Legal adviser to the Company as to Hong Kong laws	David Fong & Co. Unit A, 12/F, China Overseas Building 139 Hennessy Road Wanchai, Hong Kong
Placing Agent	Excalibur Global Financial Group Limited Unit 3711, 37/F, West Tower Shun Tak Centre 168–200 Connaught Road Central Sheung Wan Hong Kong
Principal bankers	Fubon Bank (Hong Kong) Limited DBS Bank (Hong Kong) Limited
Hong Kong branch share registrar and transfer office	Union Registrars Limited Suites 3301–04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point Hong Kong
Principal share registrar and transfer office in Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands

Stock Code	8428
Company Website	www.cbk.com.hk

11. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and placing all Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$1.68 million, which are payable by the Company.

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Chow Yik (“Mr. Chow”), aged 41, is the chairman of Board, an executive director, the chairman of the legal compliance committee, a member of the remuneration committee and a member of the nomination committee. He obtained a bachelor’s degree in Engineering, majoring in Electronic and Communication Engineering from the City University of Hong Kong and is currently studying the Master of Business Administration programme (“EMBA”) at the School of Economics and Management of Tsinghua University.

From April 2015 to October 2020, Mr. Chow was an executive director of Kirin Group Holdings Limited (stock code: 8109), a company listed on the GEM of the Stock Exchange, which principally engaged in the provision of insurance brokerage and related services, assets management and securities brokerage service and money lending services in Hong Kong and multichannel network entertainment services.

During April 2020 to May 2021, Mr. Chow was an executive director of Aurum Pacific (China) Group Limited (stock code: 8148), a company listed on the GEM of the Stock Exchange, which principally engaged in developing and marketing of patented server based technology and the provision of communications software platform and software related services; money lending business; and game publishing, development of mobile game and related intellectual property and platform, mobile applications and data solutions and provision of IT related solutions.

Mr. Tsui Wing Tak (“Mr. Tsui”), aged 54, was appointed as an executive director. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. He holds a bachelor’s degree in Economics from Macquarie University in Australia. He has over 27 years of extensive experience in corporate finance and accounting.

From April 2020 to December 2020, Mr. Tsui was an executive director of Aurum Pacific (China) Group Limited (stock code: 8148), a company listed on the GEM of the Stock Exchange, which principally engaged in developing and marketing of patented server based technology and the provision of communications software platform and software related services; money lending business; and game publishing, development of mobile game and related intellectual property and platform, mobile applications and data solutions and provision of IT related solutions. In August 2020, Mr. Tsui was appointed as an independent non-executive director of Bingo Group Holdings Limited (stock code: 8220), a company listed on the GEM of the Stock Exchange, which principally engaged in movie production, licensing and derivatives, crossover marketing and provision of interactive contents and cinema investment and management.

Independent non-executive Directors

Mr. Chan Kwan Yung (“Mr. Chan”), aged 60, possesses over 28 years corporate management especially on sales management. Mr. Chan also has its own wine trading and wholesaling business. He received a Diploma of Structural Engineering from British Columbia Institute of Technology.

Mr. Chong Alex Tin Yam, aged 51, has cultivated nearly 22 years of entertainment, investment and financial advisory experiences in the Greater China, Japan, South Korea, Singapore and the United States of America (the “US”) markets. From 2016 to 2018, he was the chief executive officer and executive director of Asia Fashion Holdings Limited, a company listed on the Main Board of the Singapore Stock Exchange in 2008 and delisted in September 2020. From 2013 to 2016, he was the director of Viriathus Capital LLC overseeing the US based investment bank’s Asia operation. From 2006 to 2008, he was a non-executive director of NutryFarm International Limited (formerly known as LottVision Limited), a company listed on the Main Board of the Singapore Stock Exchange (SGX:AZT). He received a Bachelor of Commerce Degree in Finance with honour from the University of Toronto and is a Certified Management Accountant (Australia).

Ms. Lau Man Kei (“Ms. Lau”), aged 34, possesses over 11 years of accounting and audit experiences in Hong Kong. Currently, she is a director of CAN (HK) CPA Limited. From December 2016 to August 2020, she was the assistant financial controller of Kirin Group Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8109). From March 2011 to November 2016, she was senior auditor of SHINEWING (HK) CPA Limited.

Ms. Lau is a qualified member of both The Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. She obtained a Bachelor of Arts in Accounting from Edinburgh Napier University.

Senior management

Mr. Chan Lap Ping, aged 55, is a management of subsidiaries of the Company. He joined the Group as general manager in January 2004. He is primarily responsible for supervising the day-to-day operations of our restaurants. He has over 20 years of experience in restaurant operations in Hong Kong, of which he worked as a manager of various restaurants responsible for managing day-to-day operation of restaurants.

Company secretary

Mr. Chan Chiu Hung Alex (“Mr. Alex Chan”), aged 57, is the company secretary. He has over 18 years of experience in managing companies listed in Hong Kong or overseas. He obtained his bachelor of business administration (honours) degree in finance from the Hong Kong Baptist University in 1990, and an advance diploma in specialist taxation from the Hong Kong Institute of Certified Public Accountants in 2012. Mr. Alex Chan is currently a fellow member of The Chartered Governance Institute, a fellow member of The Hong Kong Chartered Governance Institute, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Since September 2015, Mr. Alex Chan has been an independent non-executive director of Royal Century Resources Holdings Limited (stock code: 8125), a company listed on the GEM of the Stock Exchange. He has also been an independent non-executive director of Kingkey Intelligence Culture Holdings Limited (stock code: 550), a company listed on the Main Board of the Stock Exchange, since March 2016.

Save as disclosed above, each of our Directors and senior management has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Business address of the Directors

The business address of the Directors is same as the Company’s principal place of business in Hong Kong at Unit 3205, 32/F, West Tower, Shun Tak Centre, No. 168–200 Connaught Road Central, Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Chong Alex Tin Yam (the chairman of the Audit Committee), Mr. Chan Kwan Yung and Ms. Lau Man Kei. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY” in this appendix. The primary role and function of the Audit Committee are to oversee the relationship with the external auditors, to review the Group’s preliminary quarterly results, interim results and annual results and to monitor compliance with statutory and listing requirements.

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

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. EXPERT AND CONSENT” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cbk.com.hk) for the period of 14 days from the date of this Prospectus:

- (i) all material contracts referred to in the paragraph headed “8. MATERIAL CONTRACTS” in this appendix;
- (ii) the letter from the Board, the text of which is set out on pages 9 to 32 of this Prospectus;
- (iii) the accountant’s report on the unaudited pro forma financial information of the Group issued by Mazars CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (iv) the written consent referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix; and
- (v) the Prospectus Documents.

16. LANGUAGE

In case of any inconsistency between the English and Chinese versions of this Prospectus and the accompanying PAL, the English version will prevail.

17. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

18. MISCELLANEOUS

- (i) 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.
- (ii) As at the Latest Practicable Date, there is no material foreign exchange exposure to the Company. Therefore, no financial instrument was made to hedge such exposure.