
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in TASTY CONCEPTS HOLDING LIMITED (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8096)

PROPOSED RE-ELECTION OF RETIRING DIRECTORS, PROPOSED RE-APPOINTMENT OF AUDITOR, PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES, PROPOSED RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE, PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



Vinco Financial Limited

A notice convening the annual general meeting (the “Annual General Meeting”) of Tasty Concepts Holding Limited to be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 20 September 2023 at 3:00 p.m. is set out on pages 112 to 119 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Stock Exchange (www.hkexnews.hk) and the Company (www.butaraomen.com). Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) if they so wish.

It should be noted that the Shares will be dealt in on an ex-rights basis from Friday, 22 September 2023. Dealings in the Rights Shares in their nil-paid form will take place from Thursday, 5 October 2023 to Thursday, 12 October 2023 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed “Conditions of the Rights Issue” in this circular. Shareholders and potential investors of the Company should note that: (a) if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed; and (b) the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placées under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. Accordingly, the Rights Issue and the Placing may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from its date of publication and on the Company’s website at www.butaraomen.com

25 August 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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

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

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 14 July 2023 in relation to, among other things, the Rights Issue
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong, on Wednesday, 20 September 2023 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the Notice of Annual General Meeting
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time and
“Article”	shall mean an article of the Articles of Association
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors (including independent non-executive Directors)
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time

DEFINITIONS

“close associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Tasty Concepts Holding Limited (賞之味控股有限公司), a company incorporated in the Cayman Islands with limited liability on, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8096)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“connected person(s)”	has the same 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)”	the director(s) of the Company
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended by the Stock Exchange from time to time

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the GEM Listing Rules to advise the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder
“Independent Financial Adviser” or “Vincos Financial”	Vincos Financial Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser of the Company appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the AGM under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“Issuance Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares with an aggregate nominal value not exceeding 20% of the aggregate number of the Shares in issue as at the date of approval of the mandate
“Last Trading Day”	14 July 2023, being the last full trading day before the release of the Announcement

DEFINITIONS

“Latest Practicable Date”	23 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 17 October 2023, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Memorandum and Articles of Association”	the existing memorandum and articles of association of the Company, as amended from time to time
“Nil Paid Rights”	rights to subscribe for Rights Shares before the Subscription Price is paid
“Net Gain”	any premiums paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
“No Action shareholder(s)”	Qualifying Shareholders or their renounees who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights lapse
“Notice of Annual General Meeting”	the notice dated 25 August 2023 for convening the Annual General Meeting and included herein
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appears on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements
“Placing Agreement”	conditional placing agreement dated 14 July 2023 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis
“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares as described in the section headed “The Placing Agreement” in this circular
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association as set out in Appendix III to this circular
“Prospectus”	the prospectus to be issued to the Shareholders containing, among other things, details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL and any supplementary prospectus or supplementary provisional allotment letter (if required)

DEFINITIONS

“Prospectus Posting Date”	Tuesday, 3 October 2023 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 29 September 2023 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of five (5) Rights Shares for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 137,500,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of approval of the mandate
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.2 per Rights Share under the Rights Issue
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules

DEFINITIONS

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable in respect of the Rights Issue is set out below:

Event	2023
Latest time and date for lodging transfers document in order to qualify for attendance and voting at the AGM	4:30 p.m. on Thursday, 14 September
Closure of register of members of the Company for attending the AGM (both days inclusive)	Friday, 15 September to Wednesday, 20 September
Latest time and date for lodging forms of proxy for the AGM	3:00 p.m. on Monday, 18 September
Record date for determining attendance and voting at the AGM	Wednesday, 20 September
Expected date and time of the AGM	3:00 p.m. on Wednesday, 20 September
Announcement of poll results of the AGM	Wednesday, 20 September
Register of members of the Company re-opens	Thursday, 21 September
Last day of dealings in Shares on a cum-rights basis	Thursday, 21 September
First day of dealings in Shares on an ex-rights basis	Friday, 22 September
Latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 25 September
Closure of register of members of the Company for the Rights Issue (both dates inclusive)	Tuesday, 26 September to Friday, 29 September
Record Date for determining entitlements to the Rights Issue	Friday, 29 September
Register of members of the Company re-opens	Tuesday, 3 October
Despatch of Prospectus Documents	Tuesday, 3 October
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Thursday, 5 October

EXPECTED TIMETABLE

Event	2023
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 9 October
Last day of dealings in nil-paid Rights Shares	Thursday, 12 October
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Tuesday, 17 October
Announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 25 October
Commencement of placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	Thursday, 26 October
Latest time of placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent	6:00 p.m. on Thursday, 2 November
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to become unconditional	4:00 p.m. on Friday, 3 November
Announcement of results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Friday, 10 November
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed)	Monday, 13 November
Certificates for fully-paid Rights Shares to be despatched	Monday, 13 November
Expected commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 14 November
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Tuesday, 28 November

EXPECTED TIMETABLE

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

Dates or deadlines specified in the expected timetable above or in other parts of this circular are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange 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, or a “black” rainstorm warning or extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 17 October 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 Tuesday, 17 October 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 does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. An announcement will be made by the Company in such event as soon as practicable.

LETTER FROM THE BOARD



TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

Executive Directors:

Mr. Tang Chun Ho Chandler
(Chairman & Chief Executive Officer)
Ms. Sung Kwan Wun

Registered Office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Independent Non-executive Directors:

Mr. Ho Lai Chuen
Ms. Li Mingrong
Mr. Lui Sze Ho

Principal Place of Business in Hong Kong:

Room 206, 2/F
Seaview Centre
139-141 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED RE-APPOINTMENT OF AUDITOR,
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE,
PROPOSED AMENDMENTS TO
THE MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Wednesday, 20 September 2023.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consisted of five (5) Directors, namely:

Executive Directors

Mr. Tang Chun Ho Chandler

Ms. Sung Kwan Wun

Independent non-executive Directors

Mr. Ho Lai Chuen

Ms. Li Mingrong

Mr. Lui Sze Ho

In accordance with Article 108 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Further, according to Article 112 of the Articles of Association, any Director appointed by the Board or by ordinary resolution in general meeting either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company.

At the AGM, Mr. Tang Chun Ho Chandler, Mr. Ho Lai Chuen, Ms. Li Mingrong and Mr. Lui Sze Ho will retire and, being eligible, will offer themselves for re-election.

Biographical details of the retiring Directors are set out in Appendix I to this circular. In consideration of the background, specific knowledge and experience of Mr. Tang Chun Ho Chandler, Mr. Ho Lai Chuen, Ms. Li Mingrong and Mr. Lui Sze Ho, the Board believes that they could bring invaluable insights. Their in-depth knowledge, extensive experience and expertise continue to provide invaluable contribution and diversity to the Board.

3. PROPOSED RE-APPOINTMENT OF AUDITOR

D & PARTNERS CPA LIMITED will retire as the independent auditor of the Company at the Annual General Meeting and, being eligible, offer themselves for re-appointment.

Upon the recommendation of the audit committee of the Company, the Board proposed to re-appoint D & PARTNERS CPA LIMITED as the independent auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

The Company's existing share buy-back mandate to repurchase Shares was approved by ordinary resolutions at the annual general meeting held on 8 August 2022. The existing share buy-back mandate to repurchase Shares will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the Notice of the Annual General Meeting (i.e. a total of 55,000,000 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Buy-back Mandate. An explanatory statement required by the GEM Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

5. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

The Company's existing issuance mandate to issue Shares was approved by ordinary resolutions at the annual general meeting held on 8 August 2022. The existing issuance mandate to issue Shares will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to allot and issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the Notice of the Annual General Meeting (i.e. a total of 11,000,000 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting. The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

6. PROPOSED RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

The Company proposes to raise up to approximately HK\$27.5 million before expenses by way of a rights issue of 137,500,000 Rights Shares at the Subscription Price of HK\$0.2 each and on the basis of five (5) Rights Shares for every two (2) Shares held by the Qualifying Shareholders on the Record Date (assuming no change in the issued share capital of the Company on or before the Record Date).

LETTER FROM THE BOARD

Further details of the Rights Issue are set out below:

Issue statistics

Basis of Rights Issue:	Five (5) Rights Shares for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.2 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	55,000,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	Up to 137,500,000 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Aggregate nominal value of the Rights Shares:	Up to HK\$13,750,000
Number of Shares in issue immediately upon completion of the Rights Issue:	Up to 192,500,000 Shares (assuming no further issue or repurchase of Shares on or before the Record Date other than the Rights Shares)
Maximum funds raised before expenses:	Up to approximately HK\$27.5 million (assuming no further issue or repurchase of Shares on or before the Record Date and all the Rights Shares will be taken up)

As at the Latest Practicable Date, the Group had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares as at the Latest Practicable Date. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no further issue or repurchase of Shares on or before the Record Date, the 137,500,000 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 250% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 71% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up).

LETTER FROM THE BOARD

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares and Share Options 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.

Undertaking

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

Subscription Price

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

The Subscription Price represents:

- (i) a discount of approximately 6.1% to the closing price of HK\$0.213 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 4.7% to the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on the Last Trading Day;

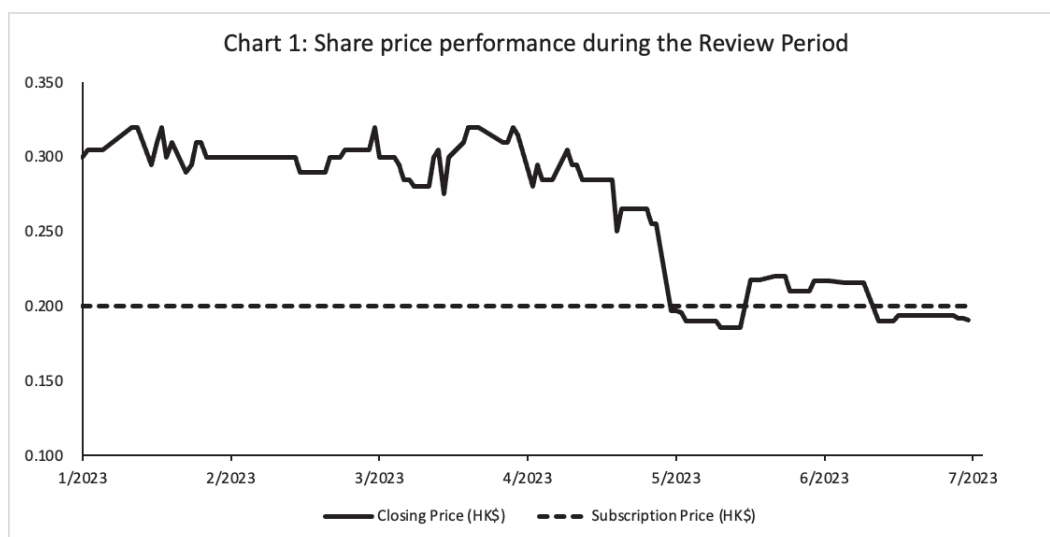
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- (iii) a premium of approximately 3.6% to the average closing price of approximately HK\$0.193 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 3.6% to the average closing price of approximately HK\$0.193 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 2.0% to the average closing price of approximately HK\$0.204 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 1.5% to the theoretical ex-rights price of approximately HK\$0.197 per Share based on the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vii) a premium of approximately 566.7% to the audited consolidated net asset value per Share of approximately HK\$0.03 (Based on the latest published audited consolidated net asset value of the Group of approximately HK\$1.7 million as disclosed in the annual report of the Company for the year ended 31 March 2023 (the “NAV”) and 55,000,000 Shares. The Directors noted that the Shares were traded at a premium to the NAV per Share throughout the six-month period immediately prior to the date of the Placing Agreement, of which the premium of the closing price of the Shares as compared with the NAV per Share ranged from HK\$0.16 per Share to HK\$0.29 per Share. Accordingly, the Directors consider that the NAV per Share is not a meaningful benchmark to determine the Subscription Price, instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price in this regard. As such, the Directors consider that the Subscription Price is fair and reasonable.); and
- (viii) no theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) given that the theoretical diluted price of approximately HK\$0.198 per Share represented a premium of approximately 2.6% to the benchmarked price of approximately HK\$0.193 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\$0.191 and the average closing price of approximately HK\$0.193 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day).

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The Subscription Price was determined with reference to, among other things, (i) the recent market prices of the Shares; (ii) the prevailing market conditions of the capital market in Hong Kong; and (iii) the amount of funds the Company intends to raise under the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS”.

In determining the Subscription Price, the Directors have reviewed the closing prices of the Shares during the period from 16 January 2023 and up to and including the date of the Placing Agreement (being the six-month period immediately prior to the date of the Placing Agreement) (the “**Review Period**”). The Directors consider that the Review Period is representative, fair and reasonable as (i) it reflected the most recent trend of the prevailing market price of the Shares; (ii) a shorter period may not sufficiently illustrate a meaningful historical trend for a proper assessment; (iii) a longer period (e.g. 12 months) may have been too distant in time making such historical trend less relevant within the context of the Rights Issue and with reference to the dynamic financial markets; and (iv) it reflected the market evaluation of the recent financial performance/position and development of the Group (the annual report for the year ended 31 March 2023 was published during the Review Period). The following chart depicts the closing prices of the Shares during the Review Period:



Source: the website of the Stock Exchange (www.hkex.com.hk)

As shown in the chart above, the closing prices of the Shares fluctuated within the range from HK\$0.186 per Share to HK\$0.320 per Share. The average closing price of the Shares was approximately HK\$0.263 during the Review Period. The Subscription Price of HK\$0.2 per Rights Share represents a discount of approximately 24.0% to the average closing price of the Shares during the Review Period. The Directors consider that the prices and general price trend of the Shares during the Review Period have reflected the market evaluation on the recent business performance of the Group as well as the recent market sentiment.

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In addition, the Directors have also reviewed the trading liquidity of the Shares during the Review Period in determining the Subscription Price. The following table sets out the trading volume of the Shares during the Review Period:

Table 1: Trading volume of the Shares during the Review Period

Month/Period	Total trading volume (No. of Shares)	Number of trading days	Average daily trading volume of the Shares (No. of Shares)	Average daily trading volume as a percentage of the total number of Shares in issue (Note) (%)
January (from 16 January 2023)	155,000	9	17,222	0.03%
February	594,500	20	29,725	0.05%
March	2,012,500	23	87,500	0.16%
April	673,500	17	39,618	0.07%
May	1,177,500	21	56,071	0.10%
June	350,000	21	16,667	0.03%
July (up to 14 July 2023)	79,000	10	7,900	0.01%

Source: the website of the Stock Exchange (www.hkex.com.hk)

Note: The calculation is based on the average daily trading volume of the Shares divided by the total issued share capital of the Company as at the Latest Practicable Date (i.e. 55,000,000 Shares).

As illustrated in Table 1 above, the average daily trading volume for the respective month/period during the Review Period ranged from approximately 7,900 Shares to approximately 87,500 Shares, representing approximately 0.01% to approximately 0.16% of the total number of issued Shares as at the Latest Practicable Date. The trading liquidity of the Shares was considered thin during the Review Period.

Taking into account (i) the consecutive loss-making position of the Group; and (ii) the low trading volume of the Shares during the Review Period, the Directors consider that it is reasonable and necessary to set the Subscription Price at a discount to the recent market price so as to attract the investors to participate in the Rights Issue. Accordingly, the Directors consider that the Subscription Price is fair and reasonable.

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The Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) consider that 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. The net price per Rights Share is estimated to be approximately HK\$0.19, if fully subscribed.

Basis of provisional allotment

The basis of the provisional allotment shall be five (5) Rights Shares for every two (2) Shares held by the Qualifying Shareholder as at the close of business on the Record Date.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong by 4:30 p.m. on Monday, 25 September 2023.

The last day of dealings in the Shares on a cum-rights basis is Thursday, 21 September 2023. The Shares will be dealt with on an ex-rights basis from Friday, 22 September 2023.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.”

Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 25 September 2023.

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Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue. The Company will send the Prospectus and this circular to the Excluded Shareholders (if any) for their information only but will not send any PAL to them. As at the Latest Practicable Date, there was 11 Shareholders with registered address (as shown on the register of members of the Company) in the PRC and there was no other Overseas Shareholder.

The Company has sought legal opinion regarding the legal restrictions under the applicable securities legislation of such jurisdiction and the requirements of the relevant regulatory body or stock exchange with respect to the Rights Issue in relation to the Overseas Shareholders located in the PRC. The legal advisers to the Company as to the PRC law advised that there is no restrictions or requirements and no local regulatory compliance would be required to be made in the PRC for the Company in extending the Rights Issue to the Overseas Shareholders located in the PRC. Based upon such advice, the Overseas Shareholders having registered address in the PRC will not be excluded from the Rights Issue and shall therefore be the Qualifying Shareholders. Accordingly, the Rights Issue will be extended to such Overseas Shareholders having registered address in the PRC.

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders (other than Overseas Shareholders with registered address in the PRC), if any. If, based on the legal advice, the Directors is of the opinion that it would be necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s), no provisional allotment of the nil-paid Rights Shares or allotment of the fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to such Overseas Shareholders.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, of not less than HK\$100

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will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholder(s) in Hong Kong dollars. In view of administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

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

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

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

Distribution of the Prospectus Documents

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

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

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

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

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

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

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

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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Fractional entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent Placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m., on Thursday, 2 November 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);

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- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

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

THE PLACING AGREEMENT

On 14 July 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date:	14 July 2023 (after trading hours)
Parties:	(i) the Company, as issuer; and (ii) the Placing Agent
Placing Agent:	Astrum Capital Management Limited, appointed as the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company.

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Fees and expenses:	(i) A fixed fee of HK\$100,000; or (ii) 2.5% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement, whichever is higher, and reimbursed for the expenses in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.
Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be):	The placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be) shall be at least equal to the Subscription Price. The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights during the process of placement.
Places:	Any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents, who and whose ultimate beneficial owners shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement.
Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.
Termination:	The Placing Arrangement shall end on Friday, 29 December 2023 or any other date by mutual written agreement between the Placing Agent and the Company.

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

Conditions Precedent:

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

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the AGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
- (ii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares;

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

Completion:

Placing completion shall take place at the offices of the Placing Agent within five Business Days after publication of an announcement of results of the Rights Issue or waiver (as the case may be) of the Conditions or such other date as the Company and the Placing Agent may agree in writing.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission rate) was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider the terms of the Placing Arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission rate) are on normal commercial terms. In determining the placing commission, the Company reviewed the prevailing market rate with reference to the recent rights issue exercise conducted by the companies listed on GEM within 12 months prior to the date of the Placing Agreement. The placing commission falls within the range of the comparables and is lower than the average rate of the comparables.

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

Application for listing

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares shall have the same board lot size as the Shares, i.e. 5,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

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 respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

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

Stamp duty and other applicable fees

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

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders (if any) as regards their receipt of the

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net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. 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.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 13 November 2023.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the AGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (ii) the GEM Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus and the PALs (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purpose only by the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. As at the Latest Practicable Date, none of the conditions has been satisfied.

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 September 2023 to Friday, 29 September 2023 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure period.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

Assuming there is no other change in the issued share capital of the Company before the completion of the Rights Issue and full subscription under the Rights Issue, the expected gross proceeds, net proceeds and net price per Rights Share from the Rights Issue are set out below:

	<i>HK\$</i> <i>(approximately)</i>
Gross proceeds	27.5 million
Net Proceeds	26.5 million
Net price per Rights Share	0.19

The Group is principally engaged in operation of restaurants in Hong Kong.

As set out in the annual report of the Company for the year ended 31 March 2023 (the “**Annual Report**”), the Group generated revenue of approximately HK\$42.3 million and approximately HK\$41.9 million for the year ended 31 March 2023 and 2022 respectively. The Group opened one Japanese style restaurant and one Sichuan style restaurant under newly established brands developed by the Group in Tuen Mun in January 2023. The revenue generated from the new restaurants offset the decrease in revenue caused by (i) the closure of a restaurant due to the expiration of tenancy agreement and (ii) the 5th wave of COVID-19 pandemic in Hong Kong that led to a significant decline in customers visited due to the restricted operating hours enforced by the Hong Kong Government among restaurants throughout almost the entire April 2022. The Group recorded a net loss of approximately HK\$9.7 million and approximately HK\$15.8 million for the year ended 31 March 2023 and 2022 respectively. The decrease in loss was mainly due to the decrease in impairment losses on property and equipment and right-of-use assets recognised during the year ended 31 March 2023 as compared to last corresponding year.

As further disclosed in the Annual Report, the Group recorded a net cash outflow from operating activities of approximately HK\$345,000 and a net decrease in cash and cash equivalents in the amount of approximately HK\$5.2 million for the year ended 31 March 2023. As at the Latest Practicable Date, the Group had bank balances and cash of approximately

LETTER FROM THE BOARD

HK\$4.0 million. Taking into account of the current financial position of the Group against the expected monthly operation costs, the Company intends to raise funds through the Rights Issue to support the expansion of the Group, supplement its operation needs and improve the financial condition of the Group.

Assuming full subscription under the Rights Issue, the Company will raise up to approximately HK\$27.5 million from the Rights Issue and the relevant expenses would be approximately HK\$1.0 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The Directors intends to utilise the entire net proceeds from the Rights Issue of approximately HK\$26.5 million as to (i) approximately HK\$17.0 million (approximately 64% of the total net proceeds) for the expansion of our restaurant network; and (ii) approximately HK\$9.5 million (approximately 36% of the total net proceeds) for the general working capital of the Group.

The Group expects to fully utilise the net proceeds of approximately HK\$9.5 million allocated for the use of general working capital, including but not limited to staff costs of approximately HK\$1.8 million per month and rental expenses of approximately HK\$1.2 million per month, by March 2024.

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

One of the business strategies of the Group is expanding its network of restaurants by opening new restaurants in suitable and strategic locations in Hong Kong, so as to secure new and additional source of income to the Group to maximize the Shareholders' return. Having considered the opportunities to structure new lease agreements at a relatively lower cost and the recovery of the catering industry due to the relaxation of travelling restriction measures, the Board intends to set up new outlets under the new brands to capture the potential business growth opportunities and customer traffic.

The Group intends to set up three new restaurants under new brand by the end of year 2024. The Group plans to develop new brands which offer different types of cuisine other than Japanese ramen, such as Hong Kong style cuisine and Chinese style cuisine. The Group plans to open two restaurants that offers Hong Kong style cuisine at Central District and Kowloon East District and one restaurant that offers Chinese cuisine at Wan Chai District. The Group is actively looking for suitable premises at desirable locations with favourable lease terms. Based on past experience and current market conditions, the Group estimates each of the new restaurants would require an average capital expenditure of approximately HK\$3.3 million, primarily for renovation, acquisition of additional facilities and machineries, enhance central kitchen facilities, and initial working capital (including rental deposit) of approximately HK\$2.5 million.

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Apart from the Rights Issue, the Directors have considered other debt or equity fundraising alternatives such as bank borrowings, placing or an open offer. The Directors note that bank borrowings, if available, carry additional interest costs and create pressure to the liquidity of the Company, and placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group.

The Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole, and that the Rights Issue is an appropriate fundraising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while at the same time allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company. In addition, the Company had preliminarily consulted brokerage companies (including the Placing Agent) for underwriting the Rights Issue but has not received any favourable feedback due to the current capital market situation apart from the Placing Agent who expressed its interest in acting as a placing agent on best effort basis. The Company considers that the placing obligation of the Placing Agent are more or less similar to an underwriter of the Rights Issue (except that the Placing Agent is on best effort basis). As such, the Company subsequently decided to conduct the Rights Issue on non-underwritten basis and to adopt the Placing Arrangement simultaneously in order to ensure sufficient funds could be raised.

Having considered the other fund-raising alternatives, the costs and unfavourable feedback of underwriting services and the proposed terms of the Rights Issue and the Subscription Price, the Board considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis.

Based on the above, the Board considers that raising capital through the Rights Issue is fair and reasonable and 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 Excluded Shareholder(s) (if any) should note that their shareholdings will be diluted.**

SHAREHOLDING STRUCTURES

Set out below is the shareholding structure of the Company, assuming there is no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares pursuant to the Rights Issue, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv)

LETTER FROM THE BOARD

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

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Independent Placees	-	0.00	-	0.00	-	0.00	137,500,000	71.43
Brilliant Trade Enterprises Limited	3,001,000	5.46	10,503,500	5.46	3,001,000	5.46	3,001,000	1.56
Other public Shareholders	51,999,000	94.54	181,996,500	94.54	51,999,000	94.54	51,999,000	27.01
	<u>55,000,000</u>	<u>100.00</u>	<u>192,500,000</u>	<u>100.00</u>	<u>55,000,000</u>	<u>100.00</u>	<u>192,500,000</u>	<u>100.00</u>

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

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had not conducted any equity fundraising activities in the 12 months immediately preceding the date of the Announcement.

RISK FACTORS

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

- (a) the availability (in terms of variety, type and quality) and prices of food supplies can fluctuate and be volatile and are subject to factors that are beyond the Group's control, such as seasonal fluctuations, climate conditions, natural disasters, general economic conditions, governmental regulations, each of which may affect the food costs or cause a disruption in the supply. The fluctuation may adversely affect its operation and profitability;
- (b) the substantial operating lease obligations expose the Group to risks, including increasing its vulnerability to adverse economic conditions, limiting its ability to obtain additional financing and reducing cash available for other purposes. If the

LETTER FROM THE BOARD

Group is unable to secure desirable restaurant locations or secure renewals of existing leases on commercially reasonable terms, the Group's business, results of operations and ability to implement the growth strategy will be adversely affected;

- (c) the Group's business is susceptible to outbreaks of food-borne diseases and illnesses, such as swine influenza (also known as pig flu), avian influenza (also known as bird flu), severe acute respiratory syndrome (also known as SARS), Bovine Spongiform Encephalopathy (also known as BSE), or Salmonella as well as other health epidemics. Such outbreak or epidemic may result in quarantines and temporary closures of restaurants, which may cause material disruptions to the Group's operations and in turn may materially and adversely affect its operation and profitability; and
- (d) the changes in the macro-economic situation and other factors such as political stability, regulations and government policies and economic instability may have an adverse effect on the Group's business, financing condition and operation results.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue, if proceeded with, will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by Independent Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the ordinary resolution to approve the Rights Issue at the AGM.

As at the Latest Practicable Date, the Company has no controlling shareholder as defined under the GEM Listing Rules and Mr. Tang Chun Ho Chandler, the executive Director, is beneficially interested in 3,001,000 Shares, representing approximately 5.46% of the issued share capital of the Company. Accordingly, Mr. Tang Chun Ho Chandler is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Placing Agreement and the transaction contemplated thereunder at the AGM.

The Company has not conducted any rights issue, open offer or specific mandate placings 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 as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

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The theoretical diluted price and the benchmarked price are approximately HK\$0.198 per Share and HK\$0.193 per Share respectively and there is no theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) given that the theoretical diluted price represented a premium of approximately 2.6% to the benchmarked price. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

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

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

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

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

7. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the GEM Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers. As such, the Board proposes to amend the Memorandum and Articles of Association for the purposes of, among others, (i) bringing the Memorandum and Articles of Association in line with amendments made to the GEM Listing Rules and applicable laws of the Cayman Islands; and (ii) making certain other housekeeping amendments to the Memorandum and Articles of Association.

Details of the Proposed Amendments (with mark-ups showing changes from the existing Memorandum and Articles of Association) are set out in Appendix III to this circular. The Chinese translation is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation, the English version shall prevail.

LETTER FROM THE BOARD

The Proposed Amendments are subject to the approval of the Shareholders by way of special resolution at the AGM. Prior to the passing of the special resolution at the AGM, the existing Memorandum and Articles of Association shall remain valid. The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments conform with the applicable requirements under the GEM Listing Rules and are not inconsistent with the applicable laws of Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands incorporated company listed on the Stock Exchange.

8. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Notice of Annual General Meeting is set out on pages 112 to 119 of this circular.

Pursuant to Rule 17.47(4) of the GEM Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The resolutions to be proposed at the Annual General Meeting do not relate purely to a procedural or administrative matter. Accordingly, all resolutions set out in the Notice of Annual General Meeting will be put to vote by way of poll at the Annual General Meeting. An announcement on the results of the vote by poll will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for the Annual General Meeting is enclosed with this circular which is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.butaoamen.com). Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) if they so wish.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, proposed re-appointment of auditor, proposed granting of the Share Buy-back Mandate and the Issuance Mandate, proposed Rights Issue and Proposed Amendments are in the best interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting and as set out in the Notice of Annual General Meeting.

By order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman

Hong Kong, 25 August 2023

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Rights Issue.



TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

25 August 2023

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

We refer to the circular of the Company dated 25 August 2023 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned.

Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect.

Having taken into account the terms of the Rights Issue, and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolution(s) to be proposed at the AGM to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee

Mr. Ho Lai Chuen

Ms. Li Mingrong

Mr. Lui Sze Ho

Independent non-executive Directors

LETTER FROM VINCO FINANCIAL

The following is the full text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders in connection with the Rights Issue which has been prepared for the purpose of incorporation in this circular:

VINCO 
Vinco Financial Limited

25 August 2023

*To the Independent Board Committee and the Independent Shareholders of
Tasty Concepts Holding Limited*

Dear Sirs,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE (5) RIGHTS SHARES FOR EVERY
TWO (2) SHARES HELD ON THE RECORD DATE**

A. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) fairness and reasonableness of the terms of the proposed Rights Issue; and (ii) how the Independent Shareholders should vote in respect of the relevant resolutions at the AGM, details of which are set out in the “Letter from the Board” in the circular (the “Circular”) issued by the Company to the Shareholders dated 25 August 2023 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the Announcement, in relation to, among other things, the Rights Issue. On 14 July 2023, the Company proposes to raise up to approximately HK\$27.5 million before expenses by way of a rights issue of 137,500,000 Rights Shares at the Subscription Price of HK\$0.2 each and on the basis of five (5) Rights Shares for every two (2) Shares held by the Qualifying Shareholders on the Record Date (assuming no change in the issued share capital of the Company on or before the Record Date). The Rights Issue is not underwritten and will not be extended to the Excluded Shareholder(s) (if any).

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue, if proceeded with, will increase the number of the issued Shares by more than 50%, the Rights Issue must be made conditional on approval by Independent Shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the ordinary resolution to approve the Rights Issue at the AGM.

LETTER FROM VINCO FINANCIAL

As at Latest Practicable Date, the Company has no controlling shareholder as defined under the GEM Listing Rules and Mr. Tang Chun Ho Chandler, the executive Director, is beneficially interested in 3,001,000 Shares, representing approximately 5.46% of the issued share capital of the Company. Accordingly, Mr. Tang Chun Ho Chandler is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue, the Placing Agreement and the transaction contemplated thereunder at the AGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ho Lai Chuen, Ms. Li Mingrong and Mr. Lui Sze Ho has been established to make recommendations to the Independent Shareholders as to whether the Rights Issue is, or is not, on normal commercial terms, fair and reasonable, is in the interest of the Company and the Shareholders as a whole and whether to vote in favour of the resolutions to be proposed at the AGM to approve the Rights Issue. We have been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Rights Issue. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the Rights Issue are on normal commercial terms, fair and reasonable, are in the interest of the Company and the Shareholders as a whole and whether to vote in the favour of the resolutions to be proposed at the AGM to approve the Rights Issue so far as the Independent Shareholders are concerned and such appointment has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue of the Company. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fee or benefit from the Group and its associates. During the past two years, we were appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of the Company in respect of rights issue. Details of the relevant transaction is set out in the circular of the Company dated 28 February 2023. The professional fees in connection with the appointment have been fully settled and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice on the proposed Rights Issue and the transactions contemplated thereunder of the Company.

LETTER FROM VINCO FINANCIAL

B. BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed. We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

In formulating our opinion, we have not considered the taxation implications on Independent Shareholders in relation to the subscription for, holding or disposal of the Rights Shares, since these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effects on, or liabilities of any person resulting from the subscription for, holding or disposal of the Rights Shares. In particular, Independent Shareholders subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

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We consider that we have reviewed all currently available information and documents, among others: (i) the Placing Agreement; (ii) the Announcement; (iii) annual report of the Company for the year ended 31 March 2023 (the “Annual Report 2023”); and (iv) the management accounts of the Company for the three months ended 30 June 2023, which are made available to us and enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Rights Issue, as referred to in Rule 17.92 of the GEM Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Rights Issue and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue and the transactions contemplated thereunder, we have considered the principal factors and reasons set out below:

1. Information on the Group

The Group is principally engaged in operation of restaurants in Hong Kong.

2. Historical financial performance of the Group

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 March 2023, as extracted from the Annual Report 2023 of the Company respectively:

	For the year ended	
	31 March	
	2023	2022
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	42,273	41,876
Loss for the year	(9,739)	(15,802)

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	As at 31 March	
	2023	2022
	(audited)	(audited)
	HK\$'000	HK\$'000
Cash and cash equivalents	6,594	11,619
Total assets	29,080	21,945
Total liabilities	27,349	16,428
Net assets	1,731	5,517

Audited consolidated results for the two years ended 31 March 2023

As disclosed in the Annual Report 2023, the Group is principally engaged in operating ramen restaurants in Hong Kong, generating revenue from provision of catering services. During the year ended 31 March 2023 (“FY2023”), the Group’s revenue increased by approximately HK\$397,000 or approximately 0.9%, from approximately HK\$41.9 million for the year ended 31 March 2022 (“FY2022”) to approximately HK\$42.3 million in FY2023. The Group opened one Japanese style restaurant and one Sichuan style restaurant under newly established brands developed by the Group in Tuen Mun in January 2023. The revenue generated from the new restaurants offset the decrease in revenue caused by (i) the closure of a restaurant due to the expiration of tenancy agreement and (ii) the 5th wave of COVID-19 pandemic in Hong Kong that led to a significant decline in customers visited due to the restricted operating hours enforced by the Hong Kong Government among restaurants throughout almost the entire April 2022.

The Group has recorded a net loss of approximately HK\$15.8 million in FY2022 and approximately HK\$9.7 million in FY2023. Such improvement was mainly due to the decrease in impairment losses on property and equipment and right-of-use assets recognised in FY2023 as compared to FY2022.

As at 31 March 2023, the Group recorded cash and cash equivalents, total assets, total liabilities and net assets of approximately HK\$6.6 million, HK\$29.1 million, HK\$27.3 million and HK\$1.7 million, respectively. The decrease in net assets as at 31 March 2023 was mainly due to the net loss in FY2023, offset by recognition of equity-settled share-based compensation and issue of shares upon exercise of share options. The Group’s gearing ratio, calculated as percentage of bank borrowings to the total equity attributable to owners of the Company, was approximately 3.9% as at 31 March 2023 as compared to approximately 13.6% as at 31 March 2022.

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Prospects of the Group

As disclosed in the Annual Report 2023, the Directors are of the view that since third quarter of FY2023, most countries and cities have loosened the travelling restriction measures and cancelled the quarantine requirement, hopefully the global travel can be resumed to a certain level and stimulate the economic growth, and that the Group can benefit from such development.

3. Background of and reasons for the Rights Issue and the use of proceeds

Reasons for the Rights Issue and use of proceeds

As set out in the “Letter from the Board”, the Group recorded a net cash outflow from operating activities of approximately HK\$345,000 and a net decrease in cash and cash equivalents in the amount of approximately HK\$5.2 million for the year ended 31 March 2023. As at the Latest Practicable Date, the Group had bank balances and cash of approximately HK\$4.0 million. Taking into account of the current financial position of the Group against the expected monthly operation costs, the Company intends to raise funds through the Rights Issue to support the expansion of the Group, supplement its operation needs and improve the financial condition of the Group.

As advised by the management of the Company, the Group intends to set up three new restaurants under new brand by the end of year 2024. The Group plans to develop new brands which offer different types of cuisine other than Japanese ramen, such as Hong Kong style cuisine and Chinese style cuisine. The Group plans to open two restaurants that offers Hong Kong style cuisine at Central District and Kowloon East District and one restaurant that offers Chinese cuisine at Wan Chai District. The Group is actively looking for suitable premises at desirable locations with favourable lease terms. Based on past experience and current market conditions, the Group estimates each of the new restaurants would require an average capital expenditure of approximately HK\$3.3 million, primarily for renovation, acquisition of additional facilities and machineries, enhance central kitchen facilities, and initial working capital (including rental deposit) of approximately HK\$2.5 million.

As discussed in section headed “Prospects of the Group” above, the Group expects the resuming global travel can be resumed and can benefit the catering industry in Hong Kong. According to the Hong Kong’s Census and Statistics Department (<https://www.censtatd.gov.hk/en/wbr.html?ecode=B10800022023QQ01>), the value of the total receipts of Hong Kong’s restaurants section in the first quarter of 2023 had a year-on-year increase of approximately 81.7%. As discussed with the management of the Group, we understand that the new opening of restaurants and development of new brand present a good opportunity for the Group to diversity its business by expanding the customer base of different favour. We have reviewed the

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management accounts of the Company for the three months ended 30 June 2023, business plan of the Group and the budget of opening new restaurants. We are of the view that the funding needs are fair and reasonable.

Fund raising alternatives

As advised by the Directors, apart from the Rights Issue, the Directors have considered other debt or equity fundraising alternatives such as bank borrowings, placing or an open offer. The Directors note that bank borrowings, if available, carry additional interest costs and create pressure to the liquidity of the Company, and placing of new shares dilutes the interests of existing Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group.

After considering the fund raising alternatives mentioned above, the Rights Issue is an appropriate fundraising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while at the same time allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company. In addition, the Company had preliminarily consulted brokerage companies (including the Placing Agent) for underwriting the Rights Issue but has not received any favourable feedback due to the current capital market situation apart from the Placing Agent who expressed its interest in acting as a placing agent on best effort basis. The Company considers that the placing obligation of the Placing Agent are more or less similar to an underwriter of the Rights Issue (except that the Placing Agent is on best effort basis). As such, the Company subsequently decided to conduct the Rights Issue on non-underwritten basis and to adopt the Placing Arrangement simultaneously in order to ensure sufficient funds could be raised.

After taking into account the benefits and potential cost of each of the alternatives, we are of the view and concur with the view of the Directors that placing of new Shares would only be available to certain placees who are not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders. We are of the view and concur with the view of the management of the Company that the Rights Issue allows the Group to expand and diversify its business which is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

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4. Principal terms of the Rights Issue

The Company proposes to raise up to approximately HK\$27.5 million under the Rights Issue. The net proceeds from the Rights Issue after deducting related expenses will be approximately HK\$26.5 million at the Subscription Price of HK\$0.2 per Rights Share on the basis of five (5) Rights Shares for every two (2) Shares held on the Record Date. The details are set out as follows:

Basis of Rights Issue	:	Five (5) Rights Shares for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.2 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	55,000,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	:	Up to 137,500,000 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$13,750,000
Number of Shares in issue immediately upon completion of the Rights Issue:	:	Up to 192,500,000 Shares (assuming no further issue or repurchase of Shares on or before the Record Date other than the Rights Shares)
Maximum funds raised before expenses:	:	Up to approximately HK\$27.5 million (assuming no further issue or repurchase of Shares on or before the Record Date and all the Rights Shares will be taken up)

As at the Latest Practicable Date, the Group had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

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Assuming no further issue or repurchase of Shares on or before the Record Date, the 137,500,000 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 250% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 71% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up).

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) 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.

Undertaking

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

Subscription Price

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

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The Subscription Price represents:

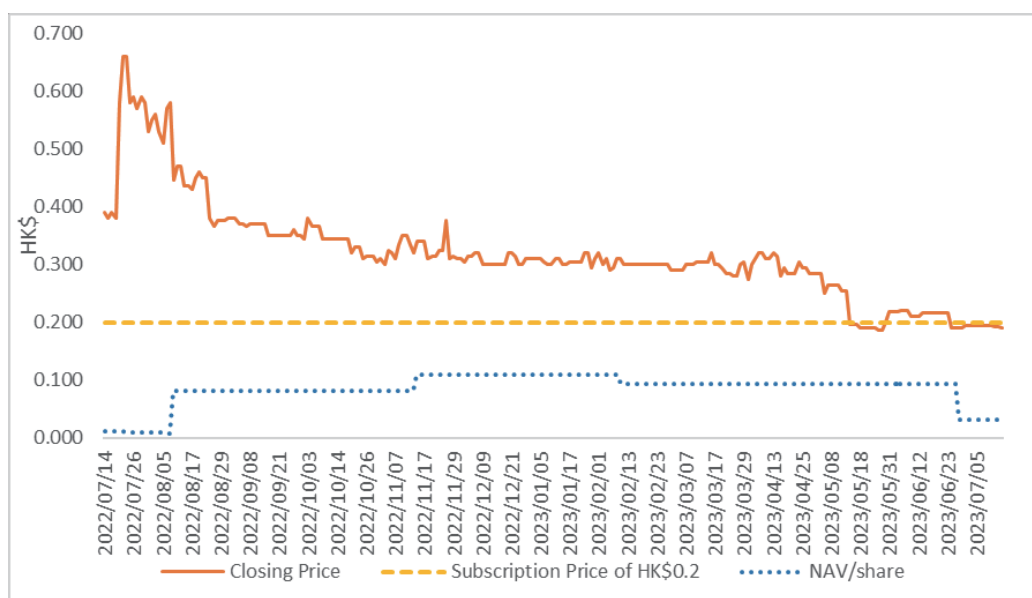
- (i) a discount of approximately 6.1% to the closing price of HK\$0.213 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 4.7% to the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 3.6% to the average closing price of HK\$0.193 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 3.6% to the average closing price of approximately HK\$0.193 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 1.5% to the theoretical ex-rights price of approximately HK\$0.197 per Share based on the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a premium of approximately 566.7% to the audited consolidated net asset value per Share of approximately HK\$0.03 (based on the latest published audited consolidated net asset value of the Group of approximately HK\$1.7 million as disclosed in the annual report of the Company for the year ended 31 March 2023 (the “NAV”) and 55,000,000 Shares. The Directors noted that the Shares were traded at a premium to the NAV per Share throughout the six-month period immediately prior to the date of the Placing Agreement, of which the premium of the closing price of the Shares as compared with the NAV per Share ranged from HK\$0.16 per Share to HK\$0.29 per Share. Accordingly, the Directors consider that the NAV per Share is not a meaningful benchmark to determine the Subscription Price, instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price in this regard. As such, the Directors consider that the Subscription Price is fair and reasonable.); and
- (vii) no theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) given that the theoretical diluted price of approximately HK\$0.198 per share represented a premium of approximately 2.6% to the benchmarked price of approximately HK\$0.193 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\$0.191 and the average closing price of HK\$0.193 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day).

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As stated in the Letter from the Board, the Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions and the amount of funds the Company intends to raise under the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS” in the Circular.

In order to assess the fairness and reasonableness of the Subscription Price, we have reviewed the closing prices of the Shares and the trading liquidity of the Shares for the period from 14 July 2022, being the 12-month period prior to the date of the Announcement, up to and including the Last Trading Day (“Review Period”). We consider that the Review Period is adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Announcement and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represent a fair market value of the Company the Shareholders expected, while that after the Announcement, the value may have taken into account the potential upside of the Rights Issue which may distort the analysis. The chart below illustrates the daily closing price per Share (“Closing Price”) and the net asset value per share (“NAV/share”) versus the Subscription Price of HK\$0.2 per Rights Share during the Review Period:

Graph A: Closing Price during the Review Period



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As shown in the chart above, during the Review Period, the average Closing Price was approximately HK\$0.319 (the “Average Closing Price”). The highest Closing Price was HK\$0.66 (the “Highest Closing Price”) recorded on both 21 July 2022 and 22 July 2022 and the lowest Closing Price was HK\$0.186 (the “Lowest Closing Price”) recorded on both 25 May 2023 and 29 May 2023. It is noted that the Subscription Price is at a premium to the unaudited/audited net assets value per share throughout the Review Period. The NAV/share ranged from approximately HK\$0.01 to HK\$0.11 during the Review Period.

We noted that the Closing Price surged upwards and reached its peak at the Highest Closing Price on 21 July 2022. The Closing Price then plunged and hit the point of HK\$0.365 on 25 August 2022 and the Closing Price exhibited a downward trend and hit the Lowest Closing Price on 25 May 2023. There were two waves of substantial falls from 22 July 2022 to 25 August 2022 and from 12 May 2023 to 18 May 2023. As discussed with the management of the Group, management were not aware of any reason for such substantial change in the Closing Price as mentioned above. We have also reviewed the announcements disclosed during the Review Period and we are not aware of any information which caused the substantial change in the Closing Price.

We note that the Shares were traded above the Subscription Price were traded from 14 July 2022 to 12 May 2023 and from 30 May 2023 to 23 June 2023, and traded below from 15 May 2023 to 29 May 2023 and from 26 June 2023 to 14 July 2023. The Subscription Price of HK\$0.2 represents (i) a discount of approximately 69.7% to the Highest Closing Price; (ii) a premium of approximately 7.5% to the Lowest Closing Price; and (iii) a discount of approximately 37.3% to the Average Closing Price. As such, the attractiveness of the Rights Issue, for the Qualifying Shareholders to participate and maintain their respective shareholding interests in the Company, would have been enhanced accordingly with the Subscription Price offered at discounts to the Highest Closing Price and to the Average Closing Price.

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("Table A")	Total trading volume <i>(Note 1)</i>	Number of trading days	Average daily volume <i>(Note 2)</i>	Approximately % of average daily trading volume to total number of issued Shares <i>(Note 3)</i>	Approximately % of average daily trading volume to total number of issued Shares <i>(Note 4)</i>
2022					
July (commencing from 14 July 2022)	11,878,000	12	989,833	1.80%	1.90%
August	1,139,000	23	49,522	0.09%	0.10%
September	873,660	21	41,603	0.08%	0.08%
October	973,000	20	48,650	0.09%	0.09%
November	5,337,500	22	242,614	0.44%	0.47%
December	923,000	20	46,150	0.08%	0.09%
2023					
January	470,500	18	26,139	0.05%	0.05%
February	594,500	20	29,725	0.05%	0.06%
March	2,012,500	23	87,500	0.16%	0.17%
April	673,500	17	39,618	0.07%	0.08%
May	1,177,500	21	56,071	0.10%	0.11%
June	350,000	21	16,667	0.03%	0.03%
July (up to the Last Trading Day)	79,000	10	7,900	0.01%	0.02%

Source: website of the Stock Exchange (<http://www.hkex.com.hk>)

Notes:

- (1) Total trading volume for the month/period is sourced from the website of the Stock Exchange.
- (2) Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which excludes any trading day on which trading in the Shares on the Stock Exchange was suspended for the whole trading day.
- (3) The calculation is based on the average daily trading volume for the month/period by the total number of Shares in issue at the end of each respective month/period.
- (4) The calculation is based on the total number of the Shares in public hands (i.e., after excluding the controlling shareholder(s) or single largest shareholder) at the end of each respective month/period according to the public information on the Stock Exchange.

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As shown in the “Table A”, the average daily trading volume, the average daily trading volume of the Shares for the respective month/period during the Review Period ranged from approximately 7,900 Shares in July 2023 to approximately 989,833 Shares in July 2022, representing approximately 0.01% to approximately 1.8% of the total number of issued Shares at the end of their respective month/period, or approximately 0.02% to approximately 1.90% of the total number of issued Shares held by public Shareholders at the end of their respective month/period.

Given such relatively thin liquidity of the Shares during the Review Period, it would be difficult for the Shareholders to acquire a substantial block of the Shares in the open market without exerting a significant impact on the Share price. We consider that the prices, liquidity and general price trend of the Shares during the Review Period should have reflected market evaluation on the recent business performance of the Group. Therefore, we are of the view that it is reasonable for the Subscription Price to be set at a discount to the Average Closing Price of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue.

Comparison to other rights issue

In order to assess the fairness and reasonableness of the Subscription Price, we exhaustively conducted a search of recent proposed rights issue approximately 12 months prior to the Last Trading Day (the “Comparison Period”) to understand the trend of the recent market practice. We consider that the Comparison Period is appropriate, fair and representative because (i) the Comparables are considered for the purpose of taking a general reference for the recent market practice in relation to the rights issue exercise in the recent market conditions; and (ii) sufficient number of Comparables were identified during the Comparison Period. Based on our research, we have identified an exhaustive list of 18 rights issue comparables (the “Comparables”) during the Comparison Period.

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We noted that the business activities of the Comparables may not be directly comparable to the business activities carried out by the Group. We noted that the terms of the rights issue announced by the Comparables may not be directly comparable to the terms of the Rights Issue announced by the Group due to the differences in business activities and performances. Although the Comparables included rights issue on different basis of entitlement, and involved issuers which engaged in different business or with different financial performance and funding needs from the Company, we consider that the Comparables are suitable to serve as general reference for the purpose of an assessment on the Subscription Price, as (i) all of the Comparables and the Company are listed on GEM which are similar in size of operation as GEM is positioned as a market designed to accommodate small and midsized companies; (ii) our analysis is mainly concerned with the comparison of subscription price to closing price, theoretical ex-rights price, net asset value, maximum dilution on the shareholding and theoretical dilution effect; (iii) a 12-month period for the selection of the Comparables has resulted in the generation of a reasonable sample size; and (iv) the Comparables were included without any artificial selection or filtering on our part. Since there are a sufficient number of Comparables under the selection criteria mentioned above, we are of the view that they represented a true and fair view and representative samples of the recent market trends for rights issue and are sufficient for assessing the fairness and reasonableness of the Rights Issue.

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Table B: Details of the Comparables

Date of announcement	Company	Stock code	Basis of entitlement	(Discount)/premium of the subscription price to the theoretical ex-rights price per share based on the closing subscription price to the respective last trading day	(Discount)/premium of the subscription price to the net assets value per share	Maximum dilution on the shareholding	Theoretical dilution effect	Excess application/placing	Underwriting arrangement	Placing Commission	Underwriting commission	Minimum underwriting/placing commission
				(Approximately %)	(Approximately %)	(Approximately %)	(Note 2) (Approximately %)	(Note 3)		(Note 4) (%)	(%)	
6/7/2023	Classified Group (Holdings) Limited	8232	3 for 2	(15.0)	(49.1)	60.0	8.8	Placing	Fully-underwritten	Fixed commission fee of HK\$38,000	Nil	Yes, HK\$38,000
8/6/2023	Hi-Level Technology Holdings Limited	8113	1 for 1	(35.5)	188.0	50.0	17.7	Placing	Non-underwritten	1.0	N/A	No
5/6/2023	Solomon Worldwide Holdings Limited	8133	1 for 2	(20.8)	66.7	33.3	7.3	Excess application	Underwritten on a best effort basis	N/A	1.5	No
30/5/2023	Min Fu International Holding Limited	8811	1 for 2	(8.3)	12.4	33.3	3.3	Placing	Non-underwritten	4.0	N/A	No
29/5/2023	Hao Bai International (Cayman) Limited	8431	1 for 2	(5.7)	37.0	33.3	3.8	Placing	Non-underwritten	1.6	N/A	No
25/5/2023	Jimu Group Limited	8187	2 for 1	15.6	Net liabilities	66.7	Nil	Excess application	Fully-underwritten	N/A	Fixed commission fee of HK\$100,000	Yes, HK\$100,000
13/4/2023	Finec Group Limited	8317	1 for 2	(52.4)	96.1	33.3	18.0	Placing	Fully-underwritten	Fixed commission fee of HK\$20,000	Nil	Yes, HK\$20,000
6/4/2023	Luk Hing Entertainment Group Holdings Limited	8052	1 for 1	(5.9)	Net liabilities	50.0	2.9	Placing	Fully-underwritten	3.0	3.0	No
6/3/2023	CBK Holdings Limited	8428	5 for 1	(15.9)	(79.1)	83.3	13.2	Placing	Non-underwritten	3.5	N/A	No
17/2/2023	State Innovation Holdings Limited	8275	3 for 2	(26.5)	(53.5)	60.0	16.0	Placing	Non-underwritten	2.5	N/A	No
10/1/2023	Kinetix Systems Holdings Limited	8606	1 for 2	(29.4)	(47.0)	33.3	9.8	Placing	Non-underwritten	1.3	N/A	No
6/1/2023	SDM Education Group Holdings Limited	8363	1 for 2	Nil	Net liabilities	33.3	Nil	Excess application	Fully-underwritten	N/A	4.0	No
28/12/2022	New Amante Group Limited	8412	1 for 2	(10.6)	Net liabilities	33.3	5.6	Excess application	Underwritten on a best effort basis	N/A	1.5	No
28/12/2022	Jiadong International Group Holdings Limited	8153	1 for 2	(50.0)	(40.1)	33.3	17.3	Placing	Non-underwritten	3.5	N/A	No
21/10/2022	C&N Holdings Limited	8430	3 for 1	(13.3)	93.0	75.0	10.0	Placing	Non-underwritten	1.5	N/A	No
10/8/2022	Essy Repay Finance & Investment Limited	8079	1 for 2	(45.0)	(85.8)	33.3	16.1	Placing	Non-underwritten	7.1	N/A	No
4/8/2022	Xinyi Electric Storage Holdings Limited	8328	1 for 10	(18.8)	427.0	9.1	1.7	Excess application	Non-underwritten	N/A	N/A	No
14/7/2022	Wan Cheng Metal Packaging Company Limited	8291	1 for 1	(25.0)	(14.3)	50.0	16.5	Placing	Non-underwritten	2.5	N/A	No
	Maximum		/	15.6	427.0	83.3	18.0	/	/	7.1	4.0	/
	Minimum		/	(52.4)	(85.8)	9.1	Nil	/	/	1.0	1.5	/
	Average		/	(20.1)	49.6	44.7	9.3	/	/	2.9	2.5	/
14/7/2023	The Company (8096)		5 for 2	4.7	556.7	71.4	2.6	Placing	Non-underwritten	Higher of HK\$100,000 and 2.5%	N/A	No

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Notes:

1. The net assets value (NAV) per share is calculated based on the latest published audited/unaudited consolidated NAV and total number of shares in issue as at the date of the respective announcements. Given that the respective Comparables had consolidated net liabilities per share and therefore was excluded for comparison and analysis purpose.
2. The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Rules Governing the Listing of Securities on the Stock Exchange or Rule 10.44A of the GEM Listing Rules.
3. Pursuant to Rule 10.31(1) of the GEM Listing Rule.
4. In order to calculate the average, minimum and maximum percentage of the placing commission of the Comparables, we have excluded the minimum placing commissions and absolute placing commissions.

Based on the “Table B”, we noted from the above table that almost all of the Comparables had set the subscription price of their rights issue at a discount to the prevailing market price of the relevant shares before the relevant announcements in respect of the rights issue were made except two Comparables, being SDM Education Group Holdings Limited (8363.HK), with its subscription price same as the closing price on the last trading day and nil discount of the subscription price to its theoretical ex-right share, and Jimu Group Limited (8187.HK), with premium of its subscription price to the closing on the last trading day and its theoretical ex-right share. Therefore, we consider it is a normal market practice for listed companies to set the subscription price of rights issue at a discount to the prevailing market price of the relevant shares so as to encourage the shareholders’ participation but it is not uncommon to set subscription price with nil discount or premium to prevailing price.

Based on the “Table B”, we noted that (i) the subscription prices to the closing price on the last trading day prior to the announcement of the Comparables ranged from a discount of approximately 52.4% to a premium of approximately 15.6%, with an average discount of approximately 20.1%. The premium of the Subscription Price to the closing price per Share as at the Last Trading Day of approximately 4.7% is within the range; (ii) the subscription prices to the theoretical ex-rights price per share based on the closing price per share on the last trading day prior to announcement in relation to the Comparables ranged from a discount of approximately 42.2% to a premium of approximately 4.7%, with an average discount of approximately 13.8%. The premium of the Subscription Price to the theoretical ex-rights price per Share on the Last Trading Day of approximately 1.5% is within the range; (iii) the subscription prices to the consolidated NAV per share of the Comparables ranged from a discount of approximately 85.8% to a premium of approximately 427.0%, with an average premium of approximately 49.6%. The premium of approximately 556.7% to the audited consolidated NAV as represented by the Subscription Price is out of the range

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of the Comparables and outweighs the average of the Comparables; (iv) the theoretical dilution effect of the Comparables ranged from nil to approximately 18.0%, with an average dilution effect of approximately 9.3%. Due to the fact that (a) the theoretical dilution effect represented by the Rights Issue of approximately 2.6% falls within the range of the Comparables; (b) the net proceeds from the Rights Issue would help expand and diversify the Group's business; and (c) the Subscription Price favors the Qualifying Shareholders to subscribe for the Rights Shares and maintain their respective pro-rata shareholding interests in the Company, we consider that the theoretical dilution effect represented by the Rights Issue is acceptable so far as the Independent Shareholders are concerned; and (v) the maximum dilution on the shareholding of the Comparables ranged from approximately 9.1% to approximately 83.3%, with an average of approximately 44.7%. The maximum dilution on the shareholding of the Rights Issue of approximately 71.4% falls within the range of the Comparables. Taking into consideration the maximum dilution on the shareholding of the Rights Issue falls within the range of the Comparables, we are of the view that the proposed offer basis is in the interest of the Company and the Shareholders as a whole and as far as the Independent Shareholders are concerned.

We note that, based on the above comparison analysis, the Subscription Price is at a premium of approximately 556.7% to the audited consolidated NAV per Share as compared to the average premium of approximately 49.6% to the consolidated NAV per share of the Comparables and we consider that the premium of the Subscription Price to the NAV of the Group as at 31 March 2023 are justifiable having taken into account the following factors: (i) the Subscription Price of the Rights Issue has a discount of 37.3% to the Average Closing Price during the Review Period; (ii) the trading liquidity of the Shares were generally thin during the Review Period and the Subscription Price at a discount to the Average Closing Price may enhance the attractiveness of the Shares among the thin trading liquidity; (ii) the Subscription Price is at a premium to the unaudited/audited net assets value per share throughout the Review Period; (iii) the Group was in loss-making position for the years ended 31 March 2022 and 2023, respectively and the Group's cash and bank balances decreased from approximately HK\$11.6 million as at 31 March 2022 to approximately HK\$6.6 million as at 31 March 2023; (iv) the net proceeds from the Rights Issue would provide greater financial flexibility for the Group to cope with its working capital needs and improve the Group's overall liquidity position; and (v) we have reviewed the NAV/share throughout the Review Period, ranging from approximately HK\$0.01 to HK\$0.11. Since the Subscription Price is at a premium to the unaudited/audited net assets value per Share throughout the Review Period and the share price of the Company has been protractedly trading at a premium to the Group's net asset value, we are of the view that it is not appropriate to take NAV per Share as a reference for determining the Subscription Price. As such, given that the Subscription Price of the Rights Issue has a discount of 37.3% to the Average Closing Price during the Review

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Period, we consider the Subscription Price to be fair and reasonable. We are of the view that the setting of the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Potential dilution effect on the interests of the Independent Shareholders

Set out below is the shareholding structure of the Company, assuming there is no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares pursuant to the Rights Issue, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	Number of		Number of		Number of		Number of	
	Shares	%	Shares	%	Shares	%	Shares	%
Independent Places	–	0.00	–	0.00	–	0.00	137,500,000	71.43
Brilliant Trade Enterprises Limited	3,001,000	5.46	10,503,500	5.46	3,001,000	5.46	3,001,000	1.56
Other public Shareholders	<u>51,999,000</u>	<u>94.54</u>	<u>181,996,500</u>	<u>94.54</u>	<u>51,999,000</u>	<u>94.54</u>	<u>51,999,000</u>	<u>27.01</u>
	<u>55,000,000</u>	<u>100.00</u>	<u>192,500,000</u>	<u>100.00</u>	<u>55,000,000</u>	<u>100.00</u>	<u>192,500,000</u>	<u>100.00</u>

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

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All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue, their proportionate shareholding interests in the Company will remain unchanged after the Rights Issue. However, the Qualifying Shareholder who does not take up any of his/her/its entitlement in full under the Rights Issue and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.

In the case that none of the Qualifying Shareholders have taken up their respective entitlements under the Rights Issue, the maximum dilution impact on shareholding interest of those public Shareholders who do not participate in the Rights Issue will be approximately 71.43% based on the assumption that (a) nil acceptance of the Rights Issue by the Qualifying Shareholders; and (b) all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent, the shareholding of the public shareholders will be decreased from 94.54% as at the Latest Practicable Date to approximately 27.01% immediately upon the completion of the Rights Issue as shown in the above table in the section headed “Potential dilution effect on the interests of the Independent Shareholders” in our letter. As discussed with the Directors, the potential dilution impact to the Shareholders who do not participate fully or partly in the Rights Issue is justifiable after taking into account that (i) all Qualifying Shareholders are offered an equal opportunity to participate in the Rights Issue in that the Qualifying Shareholders have their choice of whether to accept the Rights Issue or not; (ii) the Rights Issue offers the Qualifying Shareholders a chance to subscribe for their pro-rata Offer Shares for the purpose of maintaining their respective existing shareholding interests in the Company at the prevailing market prices of the Shares; (iii) those Qualifying Shareholders who choose to accept the Rights Issue in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; (iv) the inherent dilutive nature of rights issue in general if the existing Shareholders do not subscribe in full for their assured entitlements; and (v) the Rights Issue is expected to have an overall positive effect on the financial position of the Group in terms of its gearing upon completion of the Rights Issue. In view of the above, we concur with the Directors and we are of the view that the dilution impact of the Rights Issue is justifiable and is fair and reasonable.

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Excess application

As stated in the Letter from the Board, the Qualifying Shareholders will not be entitled to subscribe for any Rights Shares in excess of their respective entitlements. We have reviewed the Comparables, and noted that 13 out of 18 Comparables did not offer excess application to their shareholders. Furthermore, 11 out of 18 Comparables were conducted on non-underwritten basis, among which 10 of them did not offer excess application to their shareholders. Therefore, we consider that the absence of excess application arrangement is not an uncommon market practice. As such, we are of the view that the absence of excess application arrangement is acceptable so far as the Independent Shareholders are concerned.

Placing commission

As set out in the Letter from the Board, the terms of the Placing Agreement, including the rate of placing commission, were determined after arm's length negotiations between the Placing Agent and the Company with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. For further details of the principal terms of the Placing Agreement, please refer to section headed "The Placing Agreement" in the Letter from the Board. The Placing Agent to the Company will receive (i) a fixed fee of HK\$100,000; or (ii) 2.5% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares, whichever is higher, that have been successfully placed by the Placing Agent.

According to the Comparables as set out in Table B, the placing commission of the Comparables ranged from approximately 1.0% to 7.1%, with average placing commission of approximately 2.9% respectively. As the placing commission in the Placing Agreement is lower than the average placing commission of the Comparables and falls within the range of the Comparables, we are of the view that the placing commission is in the interests of the Company and Independent Shareholders as a whole.

The Company had not conducted any equity fundraising activities in the 12 months immediately preceding the date of the Announcement.

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5. Financial effects of the Rights Issue

According to the unaudited pro forma financial information of the Group set out in Appendix II to the Circular, the audited consolidated net tangible assets, before any adjustments, of the Group attributable to owners of the Company was approximately HK\$1.7 million as at 31 March 2023.

Net tangible assets

Assuming no other issue of Shares on or before the Record Date, upon completion of the Rights Issue (i) the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately HK\$28.2 million as at 31 March 2023 upon the completion of the Rights Issue; and (ii) the unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share would increase from approximately HK\$0.0315 to approximately HK\$0.1466 as at 31 March 2023.

Liquidity

According to the Annual Report 2023, as at 31 March 2021, the cash and cash equivalents of the Group was approximately HK\$6.6 million and the Group had current assets of approximately HK\$12.9 million and current liabilities of approximately HK\$19.3 million. Accordingly, the current ratio of the Group (being the current assets of the Group divided by the current liabilities of the Group) as at 31 March 2023 was approximately 0.7 times. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately HK\$26.5 million.

Upon the completion of the Rights Issue, the current ratio of the Group would increase from approximately 0.7 times to approximately 2.0 times as at 31 March 2023. As such, the current ratio and the liquidity of the Group would be improved upon the completion of the Rights Issue.

Gearing Ratio

According to the Annual Report 2023, as at 31 March 2023, the gearing ratio of the Group (calculated as percentage of bank borrowings to the total equity attributable to owners of the Company) was approximately 3.9%. Upon the completion of the Rights Issue, the equity attributable to owners of Company would be enlarged by the expected net proceeds from the Rights Issue of approximately HK\$26.5 million.

The gearing ratio of the Group would be improved from approximately 3.9% to approximately 0.5%. As such the gearing ratio of the Group is expected to improve upon the completion of the Rights Issue.

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The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share would decrease and the Rights Issue would improve (i) the liquidity position of the Group represented by current ratio; and (ii) the gearing ratio of the Group. Hence, we are of the view that the Rights Issue are in the interests of the Company and the Shareholders as a whole.

Shareholders should note that the aforesaid analyses are for illustrative purpose only and do not purport to represent the financial position of the Group upon completion of the Rights Issue and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of (i) the financial position of the Company as at 31 March 2023 or any future date; or (ii) the net tangible assets attributable to owners of the Company per Share as at 31 March 2023 or any future date.

C. RECOMMENDATION

Having taken into consideration of the following principal factors and reasons regarding the major terms of the Rights Issue including:

- (i) the Company is in need of the net proceeds from the Rights Issue for new opening of restaurants as stated under the paragraph headed “Reasons for the Rights Issue and use of proceeds” above in this letter;
- (ii) taking into account the benefits and cost of each of the alternatives, the Rights Issue represents an appropriate means for fund raising to strengthen its balance sheet without facing the increasing interest expense and minimise the cost of fund raising as stated under the paragraph headed “Fund raising alternatives” above in this letter;
- (iii) the Qualifying Shareholders may have difficulties in acquiring or selling a significant number of Shares in the open market if the same trading pattern of the Shares persists during and after the completion of the Rights Issue without exerting impact on the market price of the Shares. We are therefore of the view that the Subscription Price at a discount to the Average Closing Price would encourage the Qualifying Shareholders to participate in the Rights Issue, and to maintain their respective shareholding interests in the Company as stated under the paragraph headed “Subscription Price” above in this letter;
- (iv) the Subscription Price is fair and reasonable in our view for the reasons set out in earlier sections headed “Subscription Price” and “Comparison to other rights issue” in this letter; and

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- (v) Rights Issue is conducted on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportionate interests in the Company and allows the Qualifying Shareholders to participate in the future growth of the Company, and the maximum dilution effect only occur when the Qualifying Shareholders do not subscribe for their proportionate Rights Shares,

we are of the view that the terms of the Rights Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM to approve the Rights Issue.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in and completed various advisory transactions involving companies listed in Hong Kong in respect of the Takeovers Code for over 10 years.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. Tang Chun Ho Chandler

Qualifications and experiences

Mr. Tang Chun Ho Chandler (鄧振豪) (“**Mr. C Tang**”), aged 38, is the founder, executive Director, Chairman and Chief Executive Officer of the Group. Mr. C Tang was appointed as the Director on 23 July 2018 and re-designated as the executive Director on 28 August 2018. Mr. C Tang was appointed as the Chief Executive Officer and the Chairman of the Board on 28 August 2018 and 1 February 2022, respectively. Mr. C Tang is also a director of each subsidiary incorporated in Hong Kong of the Group. Mr. C Tang is primarily responsible for the overall management, strategic planning, brand management and development of the Group’s business operations. He is also the chairman of the nomination committee (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”). In carrying out his responsibilities, Mr. C Tang has provided the Group with leadership, vision for the expansion of the business, marketing and public relations strategies. Mr. C Tang has over 12 years of experience in the Japanese ramen restaurant industry gained from the operation of the Group.

Prior to joining the Group, Mr. C Tang worked as a financial planner of AIA Hong Kong, whose principal business is the provision of insurance and investment-oriented products, from February 2007 to September 2011, during which he was responsible for identifying clients’ financial and protection needs in order to promote or arrange suitable insurance products for them. In 2008, Mr. C Tang was awarded Agent of the District (Regent) by AIA International Limited. He was a member of Million Dollar Round Table of The Premier Association of Financial Professionals, a global and independent association of life insurance and financial services professionals, from December 2008 to December 2009. He devoted his time into participating in music performance from 2005 to 2007.

Mr. C Tang obtained his secondary school diploma at Royal International College in Ontario, Canada in October 2002. He pursued further education in business management at Monash University between 2003 and 2005.

Interests in Shares

As at the Latest Practicable Date, Mr. C Tang was interested in long position in 3,001,000 Shares, which were held by Brilliant Trade Enterprises Limited, which is owned as to 35% by Mr. C Tang, 35% by Mr. Tang Hing Chee (father of Mr. C Tang and Ms. Tang Wing Shan Ariel (“**Ms. A Tang**”)), 15% by Ms. Tai Shiu Bun Mariana (mother of Mr. C Tang and Ms. A Tang) and 15% by Ms. A Tang (sister of Mr. C Tang). Mr. C Tang did not have any other interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Others

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. C Tang pursuant to which his term of appointment is fixed for an initial term of three years commencing from 15 March 2022 until terminated by not less than three months’ notice, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he shall vacate his office. Mr. C Tang’s remuneration is determined by the Board with reference to his experience, duties and responsibilities with the Company and the prevailing market conditions. For the year ended 31 March 2023, the total remuneration paid to Mr. C Tang amounted to approximately HK\$859,000.

Mr. C Tang has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Mr. C Tang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to Mr. C Tang that is required to be disclosed pursuant to any of the requirement of Rules 17.50 (2)(h) to (v) of the GEM Listing Rules.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING

(2) **Mr. Ho Lai Chuen**

Qualifications and experiences

Mr. Ho Lai Chuen (何麗全) (“**Mr. Ho**”), aged 68, was appointed as the independent non-executive Director on 21 February 2019. Mr. Ho is also the chairman of the Remuneration Committee and a member of each of the Nomination Committee and audit committee (the “**Audit Committee**”) of the Company.

Mr. Ho has over 33 years of experience in the production and broadcasting industry. From March 1977 to March 2011, Mr. Ho was employed by Television Broadcasts Limited (“**TVB**”) as a scriptwriter, creative director and was promoted to his last position as controller for non-drama productions at the production division. TVB is a company listed on the Main Board of the Stock Exchange (stock code: 00511), major activities of which include free-to-air television broadcasting, programme production, programme licensing and distribution, digital media business and publications. From April 2011 to March 2015, Mr. Ho was appointed as an executive vice president and general manager, production in the TV and new media business unit of PCCW Media Limited whose principal business is the provision of pay-TV service in Hong Kong. Mr. Ho was a corporate mentor for the Master of Business Administration programme at the Shanghai University, PRC from April 2015 to March 2016. Since October 2015, Mr. Ho has been serving as the chief executive officer of CL Showbiz Limited, which is primarily engaged in the provision of services including event planning/coordinating stage design and setting, sound and lighting and audio visual production. Since May 2018, Mr. Ho has been engaged as a consultant of Asia Television Digital Media Limited to provide advisory services on its television broadcasting business. Since February 2021, Mr. Ho rejoined TVB as the chief executive officer of The Voice Entertainment Group Limited.

Mr. Ho obtained a Master of Business Administration (Executive) degree from City University of Hong Kong in October 2014.

Interests in Shares

As at the Latest Practicable Date, Mr. Ho did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Others

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Ho pursuant to which his term of appointment is fixed for an initial term of three years commencing from 15 March 2022 until terminated by not less than three months' notice, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he shall vacate his office. Mr. Ho's remuneration is determined by the Board with reference to his experience, duties and responsibilities with the Company and the prevailing market conditions. For the year ended 31 March 2023, the total remuneration paid to Mr. Ho amounted to approximately HK\$126,000.

Mr. Ho has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Mr. Ho does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to Mr. Ho that is required to be disclosed pursuant to any of the requirement of Rules 17.50 (2)(h) to (v) of the GEM Listing Rules.

(3) Ms. Li Mingrong

Qualifications and experiences

Ms. Li Mingrong (李明容) (“**Ms. Li**”), aged 39, was appointed as the independent non-executive Director on 11 April 2023. Ms. Li is also a member of the Audit Committee.

Ms. Li has extensive experience in marketing strategy development and has held marketing management positions at sizable corporations in the People's Republic of China.

Interests in Shares

As at the Latest Practicable Date, Ms. Li did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Others

A service contract which forms the basis of emoluments has been entered into between the Company and Ms. Li pursuant to which her term of appointment is fixed for an initial term of three years commencing from the 11 April 2023 until terminated by not less than three months' notice, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby she shall vacate her office. Ms. Li's remuneration is determined by the Board with reference to her experience, duties and responsibilities with the Company and the prevailing market conditions. Ms. Li is entitled to a director's fee of HK\$120,000 per annum.

Ms. Li has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Ms. Li does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to Ms. Li that is required to be disclosed pursuant to any of the requirement of Rules 17.50 (2)(h) to (v) of the GEM Listing Rules.

(4) Mr. Lui Sze Ho*Qualifications and experiences*

Mr. Lui Sze Ho (呂思豪) (“**Mr. Lui**”), aged 41, was appointed as the independent non-executive Director on 13 June 2023. Mr. Lui is also the chairperson of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee.

Mr. Lui has over 15 years of experience in accounting, finance, and business operations. Mr. Lui obtained a bachelor degree of business administration in accountancy from The Hong Kong Polytechnic University. Mr. Lui is a member of the Hong Kong Institute of Certified Public Accountants.

Interests in Shares

As at the Latest Practicable Date, Mr. Lui did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Others

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Lui pursuant to which his term of appointment is fixed for an initial term of three years commencing from the 13 June 2023 until terminated by not less than three months' notice, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he shall vacate his office. Mr. Lui's remuneration is determined by the Board with reference to his experience, duties and responsibilities with the Company and the prevailing market conditions. Mr. Lui is entitled to a director's fee of HK\$144,000 per annum.

Mr. Lui has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lui does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to Mr. Lui that is required to be disclosed pursuant to any of the requirement of Rules 17.50 (2)(h) to (v) of the GEM Listing Rules.

The following is an explanatory statement required by the GEM Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 55,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the Notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 55,000,000 Shares, the Directors would be authorised under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, a total of 5,500,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

The Company will not purchase the Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buyback period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
August	0.600	0.325
September	0.380	0.305
October	0.430	0.305
November	0.770	0.300
December	0.320	0.295
2023		
January	0.320	0.295
February	0.345	0.280
March	0.335	0.270
April	0.330	0.280
May	0.285	0.186
June	0.220	0.190
July	0.380	0.186
August (up to the Latest Practicable Date)	0.214	0.195

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the GEM Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders. The Company has not been notified by any core connected persons (as defined in the GEM Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders. The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the GEM Listing Rules, Articles of Association and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. To the best knowledge of the Company, as at the Latest Practicable Date, Brilliant Trade Enterprises Limited, the Shareholder of the Company, was interested in 3,001,000 Shares representing approximately 5.46% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the aggregate shareholding of Brilliant Trade Enterprises Limited would be increased to approximately 6.06% of the issued share capital of the Company.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, no person is obliged to make a mandatory offer under Rule 26 of the Takeover Code or result in the amount of Shares held by the public being reduced to less than 25%. The Directors confirm that the Share Buy-back Mandate will not be exercised to the extent as may result in a public shareholding failing below the prescribed minimum percentage.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

The following are the proposed amendments to the Memorandum and Articles of Association. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the new Memorandum and Articles of Association. If the serial numbering of the provisions of the Memorandum and Articles of Association changed due to the addition, deletion or re-arrangement of certain provisions made in these amendments, the serial numbering of the provisions of the Memorandum and Articles of Association as so amended shall be changed accordingly, including cross-references.

Note: The Memorandum and Articles of Association is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
Cover Page	<p style="text-align: center;"><u>SECOND</u> AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p style="text-align: center;">Tasty Concepts Holding Limited 賞之味控股有限公司 <i>(incorporated in the Cayman Islands with limited liability)</i></p> <p style="text-align: center;">(as-adopted by a Special Resolution passed on 20-21 September <u>February 2023-2019</u>)</p>
Tables of Contents	<p style="text-align: center;"><u>FINANCIAL YEAR</u> 82</p>
Memorandum of Association	
Heading	<p style="text-align: center;">THE COMPANIES <u>ACT-LAW</u> (AS REVISED) EXEMPTED COMPANY LIMITED BY SHARES</p> <p style="text-align: center;"><u>SECOND</u> AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF TASTY CONCEPTS HOLDING LIMITED</p> <p style="text-align: center;">賞之味控股有限公司 (Company)</p> <p style="text-align: center;">(adopted by a Special Resolution passed on 20-21 September <u>February 2023-2019</u>)</p>

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
2.	The registered office is situated will be situate at the offices of Estera <u>Ocorian</u> Trust (Cayman) Limited, <u>Windward 3, Regatta Office Park, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands</u> or at such other place in the Cayman Islands as the Directors may from time to time decide.
5.	If the Company is registered as an exempted company as defined in the Cayman Islands Companies Act (as Revised) of the Cayman Islands Law , it shall have the power, subject to the provisions of the Cayman Islands Companies Act (as Revised) of the <u>Cayman Islands Law</u> and with the approval of a special resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.
7.	The authorised share capital of the Company is HK\$100,000,000 divided into consisting of 1,000,000,000 <u>10,000,000,000</u> shares of <u>a</u> par value of HK\$0.1 <u>0.01</u> each, with the power for the Company to increase or reduce the said capital <u>subject to the provisions of the Companies Act (as Revised) of the Cayman Islands and the Articles of Association</u> and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the condition of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.
Articles of Association	
Heading	<p style="text-align: center;">THE COMPANIES ACT LAW (AS REVISED) EXEMPTED COMPANY LIMITED BY SHARES</p> <p style="text-align: center;"><u>SECOND</u> AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TASTY CONCEPTS HOLDING LIMITED 賞之味控股有限公司 (Company)</p> <p style="text-align: center;">(adopted by a Special Resolution passed on 20-21 September <u>February 2023-2019</u>)</p>

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
1.	<p>(a) <u>The regulations in Table “A” of the Schedule to the Companies Act-Law</u> (as Revised-revised) do shall not apply to the Company.</p> <p>(b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:</p> <p>WORD MEANING</p> <p>Auditors: means the persons appointed by the Company from time to time to perform the duties of auditors of the Company <u>and may include any individual or partnership;</u></p> <p>Board: means the board of Directors of the Company as constituted from time to time or as the context may require <u>a the</u> majority of Directors present and voting at a meeting of the Directors at which a quorum is present;</p> <p>Companies Act-Law: means the Companies <u>Act-Law</u> (as Revised-revised) of the Cayman Islands (as amended from time to time) and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;</p> <p>Registered Office: means the registered office of the Company for the time being as required by the Companies <u>Act-Law</u>;</p>

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
		<p>Relevant Period: means the period commencing from the date on which any of the securities of the Company first become listed on the HK Stock Exchange to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time trading-listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);</p>
(c)	(iii)	<p>subject to the foregoing provisions of this Article, any words or expressions defined in the Companies Act-Law (except any statutory modification thereof not in force when these Articles become binding on the Company) shall bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in the Cayman Islands or elsewhere; and</p>
(d)	<p>At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than $\frac{3}{4}$ of the votes cast by such Shareholders as, being entitled so to do, vote in person or where proxies are allowed, by proxy or, in the cases of <u>such</u> Shareholders which are corporations, by their respective duly authorised representatives at a general meeting held in accordance with these Articles and of which notice specifying the intention to propose the resolution as a special resolution has been duly <u>given in accordance with Article 65.</u></p>	
(e)	<p>A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such Shareholders as, being entitled so to do, vote in person or, <u>where proxies are allowed</u>, by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting held in accordance with these Articles and of which not less than 14 days’ notice has been duly <u>given in accordance with Article 65.</u></p>	

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
2.	To the extent that the same is permissible under Cayman Islands law and subject to Article 13, a Special Resolution shall be required to <u>approve amendments to the provisions of</u> alter the Memorandum of Association of the Company, to approve any amendment of the Articles or to change the name of the Company.
5.	<p>(a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies <u>Act</u> Law, be varied or abrogated either with the consent in writing of the holders of not less than ¾ in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two <u>shareholders present in person</u> persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) <u>holding</u> or representing by proxy <u>not less than one-third in nominal value of the issued Shares of that class, that the quorum for and at, any meeting adjourned meeting for want of such holders quorum shall be two Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) shall be a quorum;</u> and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.</p>
6.	The authorised share capital of the Company on the date of the adoption of these Articles is HK\$100,000,000 divided into <u>1,000,000,000</u> 10,000,000,000 Shares of <u>a par value of HK\$0.1</u> 0.01 each.
8.	Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies <u>Act</u> Law and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
11.	(a)	All unissued Shares and other securities of the Company shall be at the disposal of the Board and it may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms (subject to Article 9) as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount. The Board shall, as regards any offer or allotment of Shares, comply with the provisions of the Companies Act Law, if and so far as such provisions may be applicable thereto.
12.	(a)	The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, but so that the conditions and requirements of the Companies Act Law shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the Shares are issued.
	(b)	If any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies Act Law, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provisions of the plant.
13.	(d)	sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Act Law, and so that the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new Shares;

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
15.	(a)	Subject to the Companies Act <u>Law</u> , or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which expression as used in this Article includes redeemable Shares) provided that the manner and terms of purchase have first been authorised by an Ordinary Resolution of the Shareholders, and to purchase or otherwise acquire warrants and other securities for the subscription or purchase of its own Shares, and shares and warrants and other securities for the subscription or purchase of any shares in any company which is its Holding Company and may make payment therefor in any manner and terms authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a Holding Company of the Company and should the Company purchase or otherwise acquire its own Shares or warrants or other securities neither the Company nor the Board shall be required to select the Shares or warrants or other securities to be purchased or otherwise acquired rateably or in any other manner and terms as between the holders of Shares or warrants or other securities of the same class or as between them and the holders of Shares or warrants or other securities of any other class or in accordance with the rights as to Dividends or capital conferred by any class of Shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the HK Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.
	(b)	Subject to the provisions of the Companies Act <u>Law</u> and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any Shares or attaching to any class of Shares, Shares may be issued on the terms that they may, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
17.	(a)	The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Companies Act Law.
	(b)	Subject to the provisions of the Companies Act Law, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its principal or a branch register of Shareholders in Hong Kong.
	(d)	The Register may be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine. <u>The Company may close the Register maintained in Hong Kong in a manner which complies with section 632 of the Companies Ordinance.</u>
18.	(a)	Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within the relevant time limit as prescribed in the Companies Act Law or as the HK Stock Exchange may from time to time determine, whichever is shorter, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide or is required by the applicable rules of the stock exchange of the Relevant Territory) one certificate for all his Shares, or, if he shall so request, in a case where the allotment or transfer is of a number of Shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange of the Relevant Territory on which the Shares are listed upon payment of such sum (in the case of a transfer, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such other sum as may from time to time be allowed or not prohibited under the Listing Rules, and in the case of any other Shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for Shares in stock exchange board lots or whole multiples thereof as he shall request and one for the balance (if any) of the Shares in question, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
19.	Every certificate for Shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the Seal of the Company , which for this purpose may be a duplicate Seal.
39.	Subject to the Companies Act Law, all transfers of Shares shall be effected by transfer in writing in the usual or common form or in such other form as the Board may accept provided always that it shall be in such a form prescribed by the HK Stock Exchange and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the Board may approve from time to time.
41.	(c) Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal Register all removals of Shares effected on any branch Register and shall at all times maintain the principal Register and all branch Registers in all respects in accordance with the Companies Act Law.
62.	At all times during the Relevant Period other than the year of the Company's adoption of these Articles , the Company shall in each <u>financial</u> year hold a general meeting as its annual general meeting in addition to any other meeting in that <u>financial</u> year and shall specify the meeting as such in the notice calling it; and not more than 15 Months . <u>Each annual general meeting shall be held within 6 Months after the end of the Company's financial year</u> (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)				
64.	<p>The Board may, whenever it thinks fit, convene an extraordinary general meeting. <u>An extraordinary</u> Extraordinary general <u>meeting</u> meetings shall also be convened on the requisition of one or more Shareholders holding, <u>on</u> at the date of deposit of the requisition, <u>not less than one tenth a minority stake in the total number of issued shares in the paid-up capital of the Company having the right, and the minimum stake required to do this shall not be less than 10% of the voting at rights in the issued share capital of the Company.</u> Such shareholder(s) shall also be entitled to add resolutions to the agenda <u>for the extraordinary general meetings</u> meeting <u>meeting so concerned.</u> Such requisition shall be made in writing to the Board or the Secretary <u>of the Company</u> for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business <u>or resolution</u> specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.</p>				
65.	<p>An annual general meeting of the Company shall be called by at least 21 <u>clear</u> days' notice in writing, and <u>all</u> a general <u>meetings</u> meeting of the Company, other than an annual general meeting, shall be called by at least 14 <u>clear</u> days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned <u>in these Articles</u> or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called, <u>subject to the Companies Act</u>, if it is so agreed:</p> <table border="1" data-bbox="387 1576 1359 1840"> <tbody> <tr> <td data-bbox="387 1576 459 1672">(a)</td> <td data-bbox="467 1576 1359 1672">in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat <u>or their proxies</u>; and</td> </tr> <tr> <td data-bbox="387 1672 459 1840">(b)</td> <td data-bbox="467 1672 1359 1840">in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% of the total voting rights at the meeting of all <u>Shareholders members of the Company.</u></td> </tr> </tbody> </table>	(a)	in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat <u>or their proxies</u> ; and	(b)	in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% of the total voting rights at the meeting of all <u>Shareholders members of the Company.</u>
(a)	in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat <u>or their proxies</u> ; and				
(b)	in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% of the total voting rights at the meeting of all <u>Shareholders members of the Company.</u>				

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
66.	(a)	The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.
67.	(a)	(iv) the appointment <u>and removal</u> of <u>the</u> Auditors;
79A.	<u>Each Shareholder has the right to speak and the right to vote at a general meeting (except where that Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration). Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder (whether by way of proxy or, as the case may be, by corporate representative) in contravention of such requirement or restriction shall not be counted.</u>	
87.	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney <u>or other person</u> duly authorised <u>to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.</u>	
92.	(a)	Any corporation which is a Shareholder may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or <u>at any meeting</u> of any class of Shareholders of the Company, and the person so authorised shall be entitled to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the Company. References in these Articles to a Shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a Shareholder represented at the meeting by such duly authorised representative.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
	<p>(b) Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) <u>appoint one or more proxies or</u> authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Shareholders <u>or any meeting of creditors, and each of those proxies or representatives shall enjoy rights equivalent to the rights of other Shareholders,</u> provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person <u>was</u> were an individual Shareholder, including the right to vote <u>and the right to speak individually on a show of hands.</u></p>
96.	The number of Directors shall not be less than two (2). The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Companies <u>Act</u> Law .
104.	<p>(b) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies <u>Act</u> Law, the Company shall not directly or indirectly:</p>
111.	<u>Subject to the provisions of these Articles and the Companies Act,</u> The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director <u>to the existing Board</u> . Any Director so appointed shall be subject to retirement by rotation pursuant to Article 108.
112.	The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director <u>to the existing Board</u> but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy <u>on the Board or as an additional Director to the existing Board</u> shall hold office only until the first <u>annual</u> general meeting of the Company after his appointment and <u>shall then be eligible for</u> subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
114.	The <u>Shareholders of the Company</u> , may, <u>at any general meeting convened and held in accordance with these Articles</u> , by Ordinary Resolution, remove any Director (including a managing director or other executive director) <u>at any time</u> before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company <u>and such Director</u>) and may by Ordinary Resolution elect another person in his stead. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 108.
116.	The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular but subject to the provisions of the Companies <u>Act-Law</u> , by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
119.	The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies <u>Act-Law</u> , of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies <u>Act-Law</u> with regard to the registration of mortgages and charges as may be specified or required.
127.	The business of the Company shall be managed by the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies <u>Act-Law</u> expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies <u>Act-Law</u> and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
144.	The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Board. Anything by the Companies Act Law or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically on behalf of the Board.	
145.	The Secretary shall attend all meetings of the Shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies Act Law and these Articles, together with such other duties as may from time to time be prescribed by the Board.	
146.	A provision of the Companies Act Law or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.	
147.	(a)	Subject to the Companies Act Law, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.
153.	(a)	The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Companies Act Law) and to appropriate such sums to the holders of Shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
	<p>(b) Subject to the Companies Act^{Law}, whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and attend to all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any Shareholders in lieu of fractional entitlements or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the Shareholders concerned, and no Shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of Shareholders by reason only of the exercise of this power. The Board may authorise any person to enter on behalf of all Shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.</p>
154.	<p>Subject to the Companies Act^{Law} and these Articles, the Company in general meeting may declare Dividends in any currency but no Dividends shall exceed the amount recommended by the Board.</p>

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)	
156.	(a)	No Dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies Act Law.
	(b)	Subject to the provisions of the Companies Act Law but without prejudice to paragraph (a) of this Article, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for Dividend accordingly. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
171.	The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Companies Act Law.	
172.	The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies Act Law necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.	
174.	No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Act Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.	

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
176.	<p>(a) The <u>Shareholders of the Company</u> shall at a each annual general meeting <u>by Ordinary Resolution</u> appoint one or more firms of auditors to <u>audit the accounts of the Company and</u> hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. <u>Such auditor may be a Shareholder but no</u>A Director, officer or employee of any such Director, <u>or officer or employee of the Company shall, during his continuance in office,</u> not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting by Ordinary Resolution or in such manner as the Shareholders may determine. <u>except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and</u> The remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board. <u>An Auditor appointed to fill any casual vacancy shall hold office until the next annual general meeting of the Company and shall then be subject to appointment by Shareholders at such remuneration to be determined by the Shareholders in accordance with this Article.</u></p>
	<p>(b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by <u>Ordinary</u> Special Resolution at any time before the expiration of his the term of office and shall, by Ordinary Resolution, at that meeting appoint <u>another new auditor</u>auditors in its place for the remainder of the term.</p>

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
180.	<p>(a) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies Act-Law and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.</p> <p>(b) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act-Law and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.</p>
188.	Subject to the Companies Act-Law , a resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution.
190.	If the Company shall be wound up (in whatever manner) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Act-Law , divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders and the Shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other assets upon which there is a liability.

Provision No.	Provision in the new Memorandum and Articles of Association (changes marked-up against provisions in the existing Memorandum and Articles of Association)
195.	The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies Act Law:
196.	The following provisions shall have effect at any time and from time to time provided that they are not prohibited by or inconsistent with the Companies Act Law:
	<u>FINANCIAL YEAR</u>
197.	<u>The Directors shall determine the financial year of the Company and may change it from time to time. Unless they determine otherwise, the financial year end of the Company shall be on 31st day of March in each calendar year.</u>

1. SUMMARY OF FINANCIAL INFORMATION

The audited financial information of the Company are disclosed in the annual reports of the Company for the years ended 31 March 2021 (page 46 to 107), 2022 (page 48 to 113) and 2023 (page 70 to 133), which are published on 30 June 2021, 30 June 2022 and 30 June 2023 respectively. The unaudited financial information of the Company are disclosed in the first quarterly report of the Company for the three months ended 30 June 2023 (page 4 to 18), which is published on 14 August 2023. The above mentioned financial information is available on the website of the Company at www.butoraamen.com and the website of the Stock Exchange at www.hkexnews.hk:

- (a) the annual report of the Company for the year ended 31 March 2021 in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0630/2021063000814.pdf>);
- (b) the annual report of the Company for the year ended 31 March 2022 in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0630/2022063001203.pdf>);
- (c) the annual report of the Company for the year ended 31 March 2023 in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063000768.pdf>);
- (d) the first quarterly report of the Company for the three months ended 30 June 2023 in relation to the financial information of the Group for the same period (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0814/2023081401585.pdf>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 July 2023, being the latest practicable date for this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group are as follows:

Bank borrowing

As at 31 July 2023, the Group had no borrowing from a bank.

Lease liabilities

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates estimated for each subsidiary with lease liabilities recognised under HKFRS 16. As at 31 July 2023, the Group had outstanding lease liabilities (including both current and non-current portions) of approximately HK\$7,911,000.

Mortgages, charges and pledges

As at 31 July 2023, save as motor vehicles of the Group acquired under lease arrangements and of which the rights to the leased assets are reverted to the lessors in the event of default of the lease liabilities of the Group, the Group did not have any mortgages, charges and pledges over the Group's assets. As at 31 July 2023, the outstanding lease liabilities in regard to the leased motor vehicles amounted to approximately HK\$88,000, which is included in the amount as disclosed above under the section "Statement of indebtedness – Lease Liabilities".

Contingent liabilities

The Group has been served a number of litigations and claims. These claims and litigations are arisen from arrears rent and related expenses of the Group and has been recognised in the other payables and accruals and provisions. Additional interest, surcharge and penalty might be incurred due to the delay in settlement of such payables. As at 31 July 2023, the related amounts included in other payables and accruals and provisions are HK\$1,867,000 and HK\$147,000 respectively.

On 30 October 2020 and 5 January 2021, Fu Tong Investment Company Limited and its agent, Sun Hung Kai Real Estate Agency Limited ("SHK"), claimed against Right Direction International Limited ("Right Direction"), a wholly-owned subsidiary of the Company, for the unpaid rent and related expenses of HK\$1,351,000 and HK\$2,241,000, respectively. By a judgment dated 16 March 2021, the Court ordered that Right Direction to pay the amount as stated in the claims on 30 October 2020 and 5 January 2021. On 15 January 2023, SHK revised the claim to approximately HK\$1,949,000 together with daily interest until repayment. The Group had obtained legal advice and recorded sufficient provision on those claimed amount.

The management and the legal advisors of the Company are taking collective efforts to resolve these cases. The Board is of the opinion that the potential claim would not have material impact on the Group's business operation and financial position.

24 confirmations have been sent to relevant parties with regards to the indebtedness position of the Group as at 31 July 2023. The response rate of those confirmations is 71% as at Latest Practicable Date.

Disclaimer

Saved as disclosed and apart from intra-group liabilities and normal trade and other payables, as at 31 July 2023, the Group did not have any loan capital issued and outstanding or agreed to be issued, term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages and charges, hire purchase commitments or guarantee outstanding.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue, its presently available financial resources, including funds internally generated from operation and the available facilities, the Group will have sufficient working capital for its operation for at least the next twelve (12) months from the date of this circular.

4. MATERIAL ADVERSE CHANGES

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in operation of restaurants in Hong Kong. The Group always strives for every possible opportunity to enhance the operation efficiency and profitability of its business. Besides, one of the business strategies of the Group is expanding its network of restaurants by opening new restaurants in suitable and strategic locations in Hong Kong, so as to secure new and additional source of income.

The revenue of the Group increased by approximately 1.0% from approximately HK\$41.9 million for year ended 31 March 2022 to approximately HK\$42.3 million for the year ended 31 March 2023. The Group opened one Japanese style restaurant and one Sichuan style restaurant under newly established brands developed by the Group in Tuen Mun in January 2023. The revenue generated from the new restaurants offset the decrease in revenue caused by (i) the closure of a restaurant due to the expiration of tenancy agreement and (ii) the 5th wave of COVID-19 pandemic in Hong Kong that led to a significant decline in customers visited due to the restricted operating hours enforced by the Hong Kong Government among restaurants throughout almost the entire April 2022.

The Group recorded a net loss of approximately HK\$9.7 million and approximately HK\$15.8 million for the year ended 31 March 2023 and 2022 respectively. The decrease in loss was mainly due to the decrease in impairment losses on property and equipment and right-of-use assets recognised during the year ended 31 March 2023 as compared to last corresponding year.

As at 31 July 2023, the Group recorded a total assets of approximately HK\$29.0 million (2022: approximately HK\$21.9 million), a total liabilities of HK\$27.3 million (2022: approximately HK\$16.4 million) and a net asset of approximately HK\$1.7 million (2022: approximately HK\$5.5 million). The increase in assets was mainly attributable to the right-of-use assets recognised during the year ended 31 March 2023. The increase in liabilities was mainly attributable to the lease liabilities recognised during the year ended 31 March 2023.

Since forth quarter of year 2022, more countries and cities have loosened the travelling restriction measures and cancelled the quarantine requirement, hopefully the global travel can be resumed to a certain level and stimulate the economic growth, and that the Group can be benefit from such development. The Directors are optimistic that the Group's catering business would improve in the year of 2024. Hence, the Group intends to expand its business by setting up new restaurants that offer different style of cuisines rather than only focusing on Japanese Ramen.

The management will keep on monitor the market development and to react in a timely basis. Meanwhile, the Group will be endeavoring to enhance the quality of the food and providing excellent services to our customers. As the Group understands that throughout the good times or bad times, quality of food and service matter to our customers. The Group will also proactively seek potential business opportunities or cooperation with different potential parties to broaden the sources of income and bringing better return on investment for the Shareholders.

As at present, save for the Rights Issue, the Board has no intention or plan to conduct other equity fund raising activities in the next 12 months. However, if the net proceeds from the Rights Issue cannot satisfy the Group's future funding needs for operation and development of its business or other investment opportunities, the Board does not rule out the possibility that the Company may conduct other equity fund raising activity if needed. The Company will make further announcement in accordance with the GEM Listing Rules as and when appropriate.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2023 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and on the basis of the notes set out below for the purpose of illustrating the effects of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 March 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 March 2023 or at any future date.

The following Unaudited Pro Forma Financial Information of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2023, extracted from the published annual report of the Group for the year ended 31 March 2023, with adjustment described below:

				Audited consolidated net tangible assets attributable to owners of the Company as at 31 March 2023	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 March 2023	Audited consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Rights Issue
	Estimated net proceeds from the Rights Issue			HK\$'000	HK\$'000	HK\$	HK\$
	(Note 1)	(Note 2)		(Note 1)	(Note 2)	(Note 3)	(Note 4)
Based on 137,500,000 Rights Shares at subscription price of HK\$0.2 per Rights Share				1,731	26,493	0.0315	0.1466

Notes:

- (1) The audited consolidated net tangible assets attributable to owners of the Company as at 31 March 2023 has been extracted from the published annual report of the Company for the year ended 31 March 2023.

- (2) The estimated net proceeds from the Rights Issue is approximately HK\$26,493,000 are based on 137,500,000 Rights Shares to be issued at subscription price of HK\$0.2 per Rights Share and after deducting estimated related expenses payable by the Company, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$1,007,000.
- (3) The consolidated net tangible assets of the Group per share attributable to the owners of the Company before the completion of the Rights Issue is determined based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2023 of approximately HK\$1,731,000 as disclosed in note 1 above, divided by 55,000,000 Shares of the Company in issue as at the Latest Practicable Date.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Rights Issue of approximately HK\$0.15 is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue, which is arrived at after aggregating the audited consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$1,731,000 and the estimated net proceed of approximately HK\$26,493,000 from the Rights Issue (note 2 above) divided by 192,500,000 Shares which comprise 55,000,000 Shares in issue before completion of the Rights Issue and 137,500,000 Rights Shares (assuming no new Shares are issued and no repurchase of shares on or before the Record Date) were issued immediately after completion of the Rights Issue.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 March 2023.

Set out below is the text of a letter received from D & Partners CPA Limited, the independent reporting accountants of the Company, to the Board of Directors in respect of the Rights Issue for the purpose of inclusion in this Circular.

**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

To the Directors of Tasty Concepts Holding Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Tasty Concepts Holding Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 March 2023, and related notes as set out in Appendix V to the circular dated 25 August 2023 issued by the Company (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix V.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed issue of 137,500,000 right shares (“**Rights Share**”) at the subscription price of HK\$0.2 per Rights Share (“**Subscription Price**”) on the basis of five Rights Shares for every two existing share held on the record date (the “**Rights Issue**”) on the Group’s net tangible assets as at 31 March 2023 as if the Rights Issue had taken place at 31 March 2023. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s financial statements for the year ended 31 March 2023, on which the annual report had been published.

Directors’ responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality management

We have complied with the independence and other ethical 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.

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

Reporting accountants’ responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 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 Pro Forma Financial Information in accordance with paragraph 4.29 of the 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 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 Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2023 would have been as presented.

A reasonable assurance engagement to report on whether the 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 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 pro forma adjustments give appropriate effect to those criteria; and

- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

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

The engagement also involves evaluating the overall presentation of the 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 Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Yours faithfully,

D & PARTNERS CPA LIMITED*Certified Public Accountants*

Hong Kong, 25 August 2023

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. SHARE CAPITAL AND OPTIONS

(a) Share capital

Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue and full acceptance of the Rights Shares, the authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

(I) As at the Latest Practicable Date

	Number of Shares '000	Nominal value of ordinary Shares HK\$'000
Authorised:		
Ordinary Shares of HK\$0.1 each	<u>1,000,000</u>	<u>100,000</u>
Issued and fully paid:		
Ordinary Shares of HK\$0.1 each	<u>55,000</u>	<u>5,500</u>

(II) Immediately following the completion of the Rights Issue (assuming no change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders or all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent)

	Number of Shares '000	Nominal value of ordinary Shares HK\$'000
Authorised:		
Ordinary Shares of HK\$0.1 each	<u>1,000,000</u>	<u>100,000</u>
Issued and fully paid:		
Ordinary Shares of HK\$0.1 each	55,000	5,500
Rights Shares to be issued pursuant to the Rights Issue of HK\$0.1 each	<u>137,500</u>	<u>13,750</u>
Ordinary Shares in issue immediately after completion of the Rights Issue	<u><u>192,500</u></u>	<u><u>19,250</u></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 will apply 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.

(b) Share Options

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

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

3. DISCLOSURE OF INTERESTS

Director's and chief executive's interests in the Company

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 required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which 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:

Long position in the shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares held/interested in	Approximate percentage of shareholding
Mr. Tang Chun Ho Chandler ("Mr. C Tang")	Interested in a controlled corporation	3,001,000 (Note 1)	5.46%

Note:

1. Brilliant Trade Enterprises Limited ("Brilliant Trade") is owned as to 35% by Mr. C Tang, whom by virtue of the SFO is deemed to be interested in 5.46% of the issued share capital of the Company in which Brilliant Trade is interested in.

Long position in shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Tang Chun Ho Chandler	Brilliant Trade	Beneficial owner	35	35

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 required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which 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.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, the following persons/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long position in the shares

Name	Capacity/Nature of interest	Number of shares held/interested	Percentage of shareholding
Brilliant Trade	Beneficial owner	3,001,000	5.46%
Mr. Tang Hing Chee (Note 1)	Interested in a controlled corporation	3,001,000	5.46%
Ms. Tai Shiu Bun Mariana (Note 2)	Interest of spouse	3,001,000	5.46%
Ms. Lee Wai Yu Giselle (Note 3)	Interest of spouse	3,001,000	5.46%

Notes:

- (1) Brilliant Trade was 35%, 35%, 15% and 15% owned by Mr. C Tang, Mr. Tang Hing Chee (“**Mr. HC Tang**”), father of Mr. C Tang, Ms. Tai Shiu Bun Mariana, mother of Mr. C Tang, and Ms. Tang Wing Shan Ariel, sister of Mr. C Tang.
- (2) Ms. Tai Shiu Bun Mariana is the spouse of Mr. HC Tang. Accordingly, Ms. Tai Shiu Bun Mariana is deemed, or taken to be, interested in the shares in which Mr. HC Tang is interested for the purpose of the SFO.
- (3) Ms. Lee Wai Yu Giselle is the spouse of Mr. C Tang. Accordingly, Ms. Lee Wai Yu Giselle is deemed, or taken to be, interested in the shares in which Mr. C Tang is interested for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section “Other information – Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures” above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other 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 2023 (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’ 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 which will not expire or be determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. COMPETING INTEREST

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

7. MATERIAL LITIGATION

As disclosed in the 2023 annual report of the Company, the Group has been served a number of claims as result of arrears rent and related expenses.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was 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 in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of the Announcement and up to the Latest Practicable Date and are or may be material:

- (i) the Placing Agreement

9. EXPERTS AND CONSENTS

The following are the qualification of the experts who have been named in this circular or have given opinions, letters or advices contained in this circular:

Name	Qualification
D & Partners CPA Limited	Certified Public Accountant
Vinco Financial Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, none of the experts had 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, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular 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.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Executive Directors	Mr. Tang Chun Ho Chandler Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
	Ms. Sung Kwan Wun Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
Independent non-executive Directors	Mr. Lui Sze Ho Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
	Mr. Ho Lai Chuen Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
	Ms. Li Mingrong Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
Authorised representatives	Mr. Tang Chun Ho Chandler Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
	Ms. Wong Tsz Yan Pinky Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
Company secretary	Ms. Wong Tsz Yan Pinky Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong

Registered office	Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Principal place of business in Hong Kong	Room 206, 2/F, Seaview Centre 139-141 Hoi Bun Road, Kwun Tong Kowloon, Hong Kong
Principal share registrar and transfer office in the Cayman Islands	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Boardroom Share Registrars (HK) Limited 2103B, 21/F 148 Electric Road North Point Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Auditor	D & PARTNERS CPA LIMITED <i>Certified Public Accountants</i> Room 2201, 22/F, West Exchange Tower 322 Des Voeux Road Central Sheung Wan Hong Kong
Stock code	8096
Company's website	www.butaoamen.com
Placing Agent to the Company	Astrum Capital Management Limited Room 2704, 27/F, Tower 1, Admiralty Centre 18 Harcourt Road Admiralty Hong Kong

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Vinco Financial Limited Unit 2602, 26/F The Center 99 Queen's Road Central Hong Kong
Legal advisers to the Company as to Hong Kong laws	TANG TSO & LAU Solicitors Room 209, 2/F, China Insurance Group Building, 141 Des Voeux Road Central Hong Kong

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

Executive Directors

Mr. Tang Chun Ho Chandler, aged 38, is the founder, executive Director, Chairman and Chief Executive Officer of the Group. He was appointed as the Director on 23 July 2018 and re-designated as the executive Director on 28 August 2018. He was appointed as the Chief Executive Officer and the Chairman of the Board on 28 August 2018 and 1 February 2022, respectively. He is also the chairman of the nomination committee and a member of the remuneration committee of the Company. He has provided the Group with leadership, vision for the expansion of the business, marketing and public relations strategies. He has over 11 years of experience in the Japanese ramen restaurant industry gained from the operation of the Group. He has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Ms. Sung Kwan Wun, aged 57, was appointed as the executive Director on 1 February 2022. She is responsible for formulating business strategy of the Group. She held management positions in several trading companies and was responsible for regional marketing strategy and internal staff training. Ms. Sung has extensive knowledge in corporate operation management, and in marketing in the PRC and Europe. She has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Independent non-executive Directors

Mr. Lui Sze Ho, aged 41, was appointed as the independent non-executive Director on 13 June 2023. He is also the chairman of the audit committee and a member of each of the remuneration committee and nomination committee of the Company. He has over 15 years of experience in accounting, finance, and business operations. Mr. Lui obtained a bachelor degree of business administration in accountancy from The Hong Kong Polytechnic University. Mr. Lui is a member of the Hong Kong Institute of Certified Public Accountants. He has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Mr. Ho Lai Chuen, aged 68, was appointed as the independent non-executive Director on 21 February 2019. He is also the chairman of the remuneration committee and a member of each of the audit committee and nomination committee of the Company. He has over 33 years of experience in the production and broadcasting industry. He has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Ms. Li Mingrong, aged 39, was appointed as the independent non-executive Director on 11 April 2023. She is also a member of the audit committee of the Company. She has extensive experience in marketing strategy development and has held marketing management positions at sizable corporations in the PRC. She has not held any directorship in other public listed companies in the past three years prior to the Latest Practicable Date.

Audit committee

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Ho Lai Chuen, Mr. Lui Sze Ho and Ms. Li Mingrong. Mr. Lui Sze Ho is the chairman of the Audit Committee. The primary duties of the audit committee include, among others, to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and handling any questions of their resignation or dismissal of that auditor, to review the Group’s financial statements and the annual, interim and quarterly financial reports, to review the Group’s financial and accounting policies and practices and to review the Group’s financial controls, and risk management and internal control system.

Company Secretary

Ms. Wong Tsz Yan Pinky, aged 34, was appointed as a company secretary of the Company on 31 August 2022. She is a member of the Hong Kong Institute of Certified Public Accountants. Since March 2016, she has been the company secretary of KPM Holding Limited (stock code: 8027), a company listed on the GEM of the Stock Exchange.

12. EXPENSES

The expenses in connection with the Rights Issue and the Placing Arrangement, including professional fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$1.0 million in maximum, and are payable by the Company.

13. MISCELLANEOUS

- (i) The compliance officer of the Company is Mr. Tang Chun Ho Chandler, who is also the chief executive officer of the Company and chairman of the Board.
- (ii) 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.
- (iii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (iv) As at the Latest Practicable Date, save as disclosed elsewhere in this circular, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business.
- (v) The English text of this circular and the accompanying form of proxy shall prevail over the respective Chinese text in the case of inconsistency.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.butaoaramen.com>) for 14 days from the date of this circular:

- (i) the annual reports of the Company for the three (3) years ended 31 March 2021, 2022 and 2023;
- (ii) the letter from the Board, the text of which is set out on pages 11 to 37 of this circular;
- (iii) the letter from the Independent Board Committee, the text of which is set out on page 38 of this circular;
- (iv) the letter from the Independent Financial Adviser, the text of which is set out on pages 39 to 62 of this circular;
- (v) the letter issued by the independent reporting accountants regarding the unaudited pro forma financial information of the Company as set out in appendix V of this circular;
- (vi) the written consents referred to in the paragraph headed “9. Experts and Consents” in this appendix; and
- (vii) the material contracts referred to in the paragraph headed “8. Material contracts” in this appendix.

NOTICE OF ANNUAL GENERAL MEETING



TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of shareholders of Tasty Concepts Holding Limited (the “**Company**”) will be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 20 September 2023 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 March 2023.
2.
 - (a) To re-elect Mr. Tang Chun Ho Chandler as an executive Director;
 - (b) To re-elect Mr. Ho Lai Chuen as an independent non-executive Director;
 - (c) To re-elect Ms. Li Mingrong as an independent non-executive Director, and
 - (d) To re-elect Mr. Lui Sze Ho as an independent non-executive Director.
3. To authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint D & PARTNERS CPA LIMITED as an auditor of the Company and to authorise the board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the Code on Share Buy-backs approved by the Commission and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”), be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution: “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, and pursuant to the GEM Listing Rules, a general mandate be is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of

shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purposes of this resolution: **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this Meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant and not having revoked the listing of and permission to deal in the Rights Shares (as defined below):

- (a) the issue by way of rights (the “**Rights Issue**”) of no more than 137,500,000 new Shares of HK\$0.10 each (“**Rights Shares**” and each a “**Rights Share**”) at the subscription price of HK\$0.2 per Rights Share on the basis of five (5) Rights Shares for every two (2) shares of the Company held by the shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the Company as at the close of business on Friday, 29 September 2023 (or such other date as may be determined by the directors of the Company (the “**Directors**”) (the “**Record Date**”) other than those shareholders (the “**Excluded Shareholders**”) of the Company whose addresses as shown on the register of members of the Company are outside Hong Kong, whom the Directors, based on legal advice provided by legal advisers in the relevant

NOTICE OF ANNUAL GENERAL MEETING

jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, and substantially on the terms and conditions set out in the Circular (a copy of which marked “A” is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and such other terms and conditions as may be determined by the Directors, be and is hereby approved;

- (b) the placing agreement dated 14 July 2023 entered into between the Company and Astrum Capital Management Limited (“**Placing Agreement**”) in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis (a copy of the Placing Agreement marked “B” is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (c) the board of Directors (the “**Board**”) or a committee thereof be and is/are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Board may make such exclusions or other arrangements in relation to the Excluded Shareholders as it may deem necessary or expedient having regard to the legal restrictions under the laws of, or the requirements of the relevant regulatory body or stock exchange in, any territory outside Hong Kong; and
- (d) any one or more Directors be and is/are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as he/they may, in his/their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Rights Issue, the Placing Agreement, and the transactions contemplated thereunder.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

9. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments to the existing Memorandum and Articles of Association of the Company (the “**Proposed Amendments**”), be and are hereby approved;
- (b) the second amended and restated Memorandum and Articles of Association of the Company (the “**New Memorandum and Articles**”) (a copy of which has been produced to this meeting and marked “**A**”, and initialed by the chairman of the meeting for the purposes of identification) be and is hereby approved and adopted as the Memorandum and Articles of Association of the Company in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association of the Company with immediate effect after the close of the meeting; and
- (c) any one of the Directors and the Company Secretary of the Company be and is hereby authorised and instructed to do all such acts and things (including filing the New Memorandum and Articles with the relevant authorities for approval, endorsement and/or registration as appropriate) and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the director or Company Secretary of the Company in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments and adoption of the New Memorandum and Articles.”

By Order of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman

Hong Kong, 25 August 2023

Notes:

- 1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
- 2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized on its behalf.

NOTICE OF ANNUAL GENERAL MEETING

3. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to item 2, Mr. Tang Chun Ho Chandler, Mr. Ho Lai Chuen, Ms. Li Mingrong and Mr. Lui Sze Ho will retire from office at the Meeting in accordance with the articles of association of the Company and, being eligible, will offer themselves for re-election. Biographical details of these Directors are set out in Appendix I to the circular of the Company dated 25 August 2023.
7. An explanatory statement as required by the GEM Listing Rules in connection with the proposed general mandate regarding to repurchase shares under item 5 above is set out in Appendix II to the circular of the Company dated 25 August 2023.
8. The transfer books and Register of Members of the Company will be closed from Friday, 15 September 2023 to Wednesday, 20 September 2023, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Thursday, 14 September 2023.
9. A form of proxy for use by shareholders at the Meeting is enclosed.

As at the date of this notice, the Directors of the Company are:

Executive Directors:

Mr. Tang Chun Ho Chandler (*Chairman & Chief Executive Officer*)

Ms. Sung Kwan Wun

Independent Non-executive Directors:

Mr. Ho Lai Chuen

Ms. Li Mingrong

Mr. Lui Sze Ho

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this notice, 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 notice.

This notice, 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 notice 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 notice misleading.

This notice will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.butaoramen.com.