
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Tasty Concepts Holding Limited, you should at once hand this Prospectus, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "16. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

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

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

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

This Prospectus appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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

Placing Agent to the Company



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

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Tuesday, 17 October 2023. The procedures for acceptance and transfer of the Rights Shares are set out in the section headed "Procedures for acceptance and payment or transfer" in the "Letter from the Board" of this Prospectus.

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 Prospectus. 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 Placers 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.

3 October 2023

CHARACTERISTICS OF GEM

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

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

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EXPECTED TIMETABLE

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

| Event | 2023 |
|---|-----------------------------------|
| First day of dealings in nil-paid Rights Shares | 9:00 a.m. on Thursday, 5 October |
| 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 TIMETABLE

Event **2023**

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

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

Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus 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:

- (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.

DEFINITIONS

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

| | |
|------------------------------|--|
| “Announcement” | the announcement of the Company dated 14 July 2023 in relation to, among other things, the Rights Issue |
| “AGM” | the annual general meeting of the Company held on 20 September 2023 at which, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder have been approved |
| “associates” | has the meaning ascribed to it under the GEM Listing Rules |
| “Board” | the board of 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 |
| “Circular” | the circular of the Company dated 25 August 2023 in relation to, among other things, the Rights Issue |
| “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, 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 |

DEFINITIONS

| | |
|--------------------------------|---|
| “connected person(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “Director(s)” | 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 of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “GEM Listing Committee” | has the meaning as defined in the GEM Listing Rules |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong special Administrative Region of the People’s Republic of China |
| “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 |
| “Latest Practicable Date” | 26 September 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein |

DEFINITIONS

| | |
|------------------------------|---|
| “Last Trading Day” | 14 July 2023, being the last full trading day before the release of the Announcement |
| “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 |
| “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 |
| “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 |
| “Placee(s)” | any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) 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 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 |

DEFINITIONS

| | |
|-----------------------------|--|
| “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 Prospectus |
| “Poll Results Announcement” | the announcement of the Company dated 20 September 2023 in relation to, among other things, the poll results of the AGM |
| “PRC” | the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Prospectus” | 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) |
| “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 |

DEFINITIONS

| | |
|------------------------------|--|
| “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 |
| “Registrar” | Boardroom Share Registrars (HK) Limited |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “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) |
| “Share(s)” | the ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “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 |
| “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. |

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

Independent non-executive Directors:

Mr. Ho Lai Chuen

Ms. Li Mingrong

Mr. Lui Sze Ho

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

3 October 2023

*To: the Qualifying Shareholders and,
for information purpose only, the Excluded 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**

INTRODUCTION

Reference is made to the Announcement, the Circular and the Poll Results Announcement, in relation to, among other matters, the Rights Issue.

The Rights Issue, the Placing Agreement and the transactions contemplated thereunder have been approved by the Independent Shareholders at the AGM.

LETTER FROM THE BOARD

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

PROPOSED RIGHTS ISSUE

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).

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.

LETTER FROM THE BOARD

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 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.

LETTER FROM THE BOARD

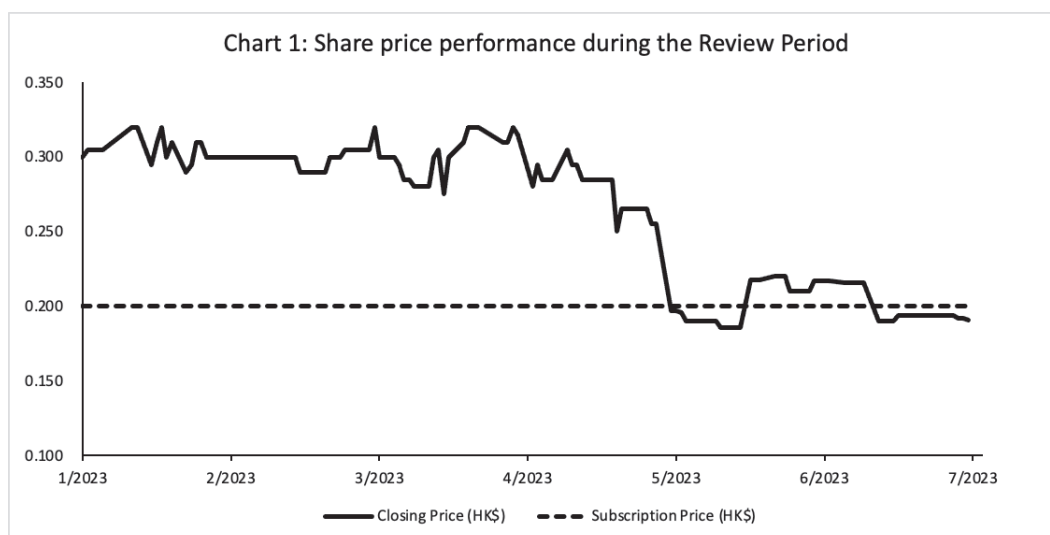
The Subscription Price represents:

- (i) a discount of approximately 9.1% to the closing price of HK\$0.220 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 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 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 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).

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) 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.

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.

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 have not been 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 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.

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.

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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 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 this 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 this Prospectus, for information purposes only, to the Excluded Shareholders (if any). The Company will not send any PALs to the Excluded Shareholders (if any).

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

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

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

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

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

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

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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.

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 for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, by not later than 4:00 p.m. on Tuesday, 17 October 2023 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” in “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**TASTY CONCEPTS HOLDING LIMITED**” and crossed “ACCOUNT PAYEE ONLY”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 17 October 2023, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected.

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If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 25 September 2023 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully.

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” of this Prospectus is not fulfilled at or before 6:00 p.m. on Thursday, 2 November 2023 or such later date as may be considered by the Company, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Monday, 13 November 2023.

Cheques and banker’s cashier orders

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

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Beneficial owners' instructions to their Intermediary

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

Procedures in respect of 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.

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

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above 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

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| Placing Agent: | <p>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.</p> <p>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.</p> |
| Fees and expenses: | <p>(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 pursuant to the terms of the Placing Agreement 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.</p> |
| Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be): | <p>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.</p> <p>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.</p> |
| Placees: | <p>Any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) 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.</p> |
| Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares: | <p>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.</p> |

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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.

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.

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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.

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 has applied 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.

No new class of securities will be issued or listed on the Stock Exchange or 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.

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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 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;

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- (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, conditions (i) and (ii) as stated above have been satisfied.

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

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> (approximately) |
|----------------------------|---------------------------------------|
| 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

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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 HK\$4.9 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 by June 2024; 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.

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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.

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.

LETTER FROM THE BOARD

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) 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.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had not conducted any equity fundraising activities in the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

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 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.

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

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.

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 Prospectus. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

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.

ADDITIONAL INFORMATION

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

For and on behalf of the Board
Tasty Concepts Holding Limited
Tang Chun Ho Chandler
Chairman and Executive Director

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 Prospectus, 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 HK\$1,949,000 together with 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.

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 Prospectus.

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 unaudited 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 unaudited 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 unaudited condensed 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:

| | | | | Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share immediately after completion of the Rights Issue <i>(Note 4)</i> |
|--|---|---|--|--|
| | Audited consolidated net tangible assets attributable to owners of the Company as at 31 March 2023 <i>HK\$'000</i> <i>(Note 1)</i> | Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i> | Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 March 2023 <i>HK\$'000</i> | Audited consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Rights Issue <i>HK\$</i> <i>(Note 3)</i> |
| Based on 137,500,000 Rights Shares at subscription price of HK\$0.2 per Rights Share | 1,731 | 26,493 | 28,224 | 0.0315 |
| | <u>1,731</u> | <u>26,493</u> | <u>28,224</u> | <u>0.0315</u> |
| | | | | <u>0.1466</u> |

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 Prospectus.

**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 II to this Prospectus 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 II.

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 control

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

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

Reporting 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, 3 October 2023

1. RESPONSIBILITY STATEMENT

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

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

(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, controlling shareholders 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 and Appendix I of this Prospectus, the Group has been served a number of claims as result of arrears rent and related expenses. The Group had obtained legal advice and recorded sufficient provision on those claimed amount. The Board is of the opinion that the potential claim would not have material impact on the Group’s business operation and financial position.

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. EXPERT AND CONSENT

The following are the qualification of the expert who has been named in this Prospectus or has given opinions, letters or advices contained in this Prospectus:

| Name | Qualification |
|-----------------------------|-----------------------------|
| D & Partners CPA Limited | Certified Public Accountant |

As at the Latest Practicable Date, the above expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert had no 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, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

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| 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 |

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|---|--|
| 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 |

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|--|---|
| Placing Agent to the Company | Astrum Capital Management Limited Room 2704, 27/F Tower 1, Admiralty Centre 18 Harcourt Road Admiralty 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 Prospectus, 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 Prospectus and the accompanying form of proxy shall prevail over the respective Chinese text in the case of inconsistency.

14. LEGAL EFFECT

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

15. BINDING EFFECT

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. Expert and Consent" in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.

17. DOCUMENTS ON DISPLAY

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

- (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 6 to 29 of this Prospectus;
- (iii) the memorandum and articles of association of the Company;
- (iv) the letter issued by the independent reporting accountants regarding the unaudited pro forma financial information of the Company as set out in appendix II of this Prospectus;
- (v) the written consent referred to in the paragraph headed “9. Expert and Consent” in this appendix;
- (vi) the material contracts referred to in the paragraph headed “8. Material contracts” in this appendix;
- (vii) the Circular; and
- (viii) the Prospectus Documents.