
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, a licensed dealer in securities or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations. Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "16. Documents delivered to the Registrar of Companies" in Appendix IV to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange 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.

The securities described in this prospectus have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this prospectus comes should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. The provision of this prospectus to Shareholders in the United States and any other jurisdiction where distribution is restricted is for information purposes only and shall not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares or to take up any entitlements to the Rights Shares in the United States or any other jurisdiction in which such an offer or solicitation is unlawful.

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

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC 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.



Great Wall Terroir
長城天下

Great Wall Terroir Holdings Limited 長城天下控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 524)

(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (II) CHANGE IN BOARD LOT SIZE

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

The Rights Issue is on a non-underwritten basis. Pursuant to the Company's constitutional document, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue as set out in the section headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" in this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Tuesday, 6 December 2022). The conditions include non-occurrence of force majeure events.

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

Dealings in the Shares have been on an ex-rights basis from Wednesday, 9 November 2022. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 23 November 2022 to Wednesday, 30 November 2022 (both dates inclusive).

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled or (where applicable) waived (which is expected to be 4:30 p.m. on Tuesday, 6 December 2022) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is 4:00 p.m. on Monday, 5 December 2022.

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

21 November 2022

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DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Beta Dynamic”	Beta Dynamic Limited, a company incorporated in the British Virgin Islands with limited liability and the Controlling Shareholder of the Company;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for general banking business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Shares to 50,000 Shares;
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Great Wall Terroir Holdings Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 524);
“Complementary Businesses”	businesses that can complement and/or expand the Group’s core business;
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“COVID-19”	Coronavirus Disease 2019;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess for their pro-rata entitlements under the Rights Issue;

DEFINITIONS

“Extreme Conditions”	extreme conditions caused by super typhoon as announced by the government of Hong Kong;
“Final Acceptance Date”	Monday, 5 December 2022 (or such other date as the Company may determine), being the last day for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares;
“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 PRC;
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant;
“Last Trading Day”	Thursday, 13 October 2022, being the last full trading day before the release of the Company’s announcement dated 13 October 2022 in respect of the Rights Issue and the Change in Board Lot Size;
“Latest Practicable Date”	Friday, 11 November 2022, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue;

DEFINITIONS

“November 2021 Rights Issue”	the rights issue of the Company announced on 7 October 2021 on the basis of one (1) rights share for every five (5) shares held on the relevant record date, which was completed on 6 December 2021;
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholder(s) (if any) explaining the circumstances in which the Non-Qualifying Shareholder(s) (if any) is/are not permitted to participate in the Rights Issue;
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date with registered address(es) outside of Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders under the Rights Issue;
“Posting Date”	Monday, 21 November 2022 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders;
“PRC”	the People’s Republic of China, which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Prospectus Documents”	this prospectus, the PAL(s) and the EAF(s);
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company at the close of business on the Record Date;
“Record Date”	Thursday, 17 November 2022 or such other date as the Company may determine, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined;
“Registrar”	Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company;

DEFINITIONS

“Rights Issue”	the issue by way of rights of one (1) Rights Share for every four (4) Shares in issue on the Record Date at the Subscription Price;
“Rights Share(s)”	up to 393,855,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date) proposed to be allotted and issued under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.045 per Rights Share under the Rights Issue;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. Dates or deadlines specified below and in other parts of this prospectus are indicative only and may be varied by the Company. In the event that any special circumstances arise, the Board may extend, or make adjustments to, the timetable if it considers appropriate. The Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as and when appropriate.

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

Events	Time and date
Last day of dealing in the Shares on a cum-rights basis	Tuesday, 8 November 2022
First day of dealing in the Shares on an ex-rights basis	Wednesday, 9 November 2022
Latest time for lodging transfers of Shares to qualify for the Rights Issue	4:30 p.m. on Thursday, 10 November 2022
Closure of the register of members (both dates inclusive)	Friday, 11 November 2022 to Thursday, 17 November 2022
Record Date	Thursday, 17 November 2022
Register of members re-opens	Friday, 18 November 2022
Despatch of Prospectus Documents	Monday, 21 November 2022
First day of dealing in nil-paid Rights Shares	Wednesday, 23 November 2022
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 25 November 2022
Last day of dealing in nil-paid Rights Shares	Wednesday, 30 November 2022
Latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Monday, 5 December 2022
Latest time for the Rights Issue to become unconditional	4:30 p.m. on Tuesday, 6 December 2022
Announcement of the allotment results of the Rights Issue	Monday, 12 December 2022

EXPECTED TIMETABLE

Events	Time and date
Despatch of refund cheques for wholly or partially unsuccessful excess applications	Tuesday, 13 December 2022
Despatch of share certificates of fully-paid Rights Shares	Tuesday, 13 December 2022
Dealings in fully-paid Rights Shares commence	9:00 a.m. on Wednesday, 14 December 2022
Effective date and time of the new board lot size (in the board lot size of 50,000 Shares)	9:00 a.m. on Wednesday, 14 December 2022
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Wednesday, 14 December 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Thursday, 5 January 2023

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

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place as set out on page 5 of this prospectus if there is a tropical cyclone warning signal no. 8 or above, Extreme Conditions and/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 Monday, 5 December 2022. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 5 December 2022. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on or before 4:00 p.m. on Monday, 5 December 2022, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) on any changes to the expected timetable as soon as practicable in such event.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this prospectus:

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every four (4) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	1,575,420,000 Shares
Subscription Price	:	HK\$0.045 per Rights Share
Number of Rights Shares to be issued under the Rights Issue	:	Up to 393,855,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$3,938,550 (assuming no change in the number of Shares in issue on or before the Record Date)
Enlarged issued share capital upon completion of the Rights Issue	:	Up to 1,969,275,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum funds raised before expenses	:	Up to HK\$17,723,475 (assuming all the Rights Shares are taken up)

Assuming no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Shares, a total of 393,855,000 Rights Shares will, upon completion of the Rights Issue, be allotted and issued, representing (i) 25% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 20% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

SUMMARY OF THE RIGHTS ISSUE

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

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of the 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 below headed “Letter from the Board – Rights Issue – Conditions of the Rights Issue” in this prospectus. Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied and/or waived (where applicable) at or before 4:30 p.m. on Tuesday, 6 December 2022 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed.

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

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

LETTER FROM THE BOARD



Great Wall Terroir
長城天下

Great Wall Terroir Holdings Limited
長城天下控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 524)

Executive Directors:

Mr. Cheung Siu Fai
Mr. Hui Chun Wai Henry

Independent Non-Executive Directors:

Mr. Fong Wai Ho
Mr. Chow Hiu Tung
Mr. Cheung Sze Ming

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Principal place of business
in Hong Kong:*

Room 1005, 10/F.
Tower Two, Lippo Centre
No. 89 Queensway
Hong Kong

21 November 2022

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

Dear Sirs and Madams,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) SHARES
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
AND
(II) CHANGE IN BOARD LOT SIZE**

INTRODUCTION

Reference is made to the Company's announcement dated 13 October 2022 whereby the Board announced that the Company proposed to conduct the Rights Issue to raise up to approximately HK\$17.7 million (before deducting professional fees and other related expenses) by issuing up to 393,855,000 Rights Shares at the Subscription Price of HK\$0.045 per Rights Share on the basis of one (1) Rights Share for every four (4) Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is not underwritten and will not be extended to the Non-Qualifying Shareholder(s).

LETTER FROM THE BOARD

The Board proposes to change the board lot size of the Shares for trading on the Stock Exchange from 10,000 Shares to 50,000 Shares with effect from 9:00 a.m. on Wednesday, 14 December 2022.

The purpose of this prospectus is to provide you with, among other things, (i) further details regarding the Rights Issue; (ii) the financial information of the Group; (iii) the unaudited pro forma financial information of the Group; (iv) the property valuation report in respect of the Group's property in Hong Kong; and (v) the general information in respect of the Group.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every four (4) Shares held on the Record Date
Subscription Price	:	HK\$0.045 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,575,420,000 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 393,855,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$3,938,550 (assuming no change in the number of Shares in issue on or before the Record Date)
Enlarged issued share capital upon completion of the Rights Issue	:	Up to 1,969,275,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum funds raised before expenses	:	Up to HK\$17,723,475 (assuming all the Rights Shares are taken up)

Assuming no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Shares, a total of 393,855,000 Rights Shares will, upon the completion of the Rights Issue, be allotted and issued, representing (i) 25% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 20% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

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

As at the Latest Practicable Date, the Board has not received any information from any substantial shareholders of the Company of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

Subscription Price

The Subscription Price of HK\$0.045 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 6.3% to the closing price of HK\$0.0480 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.7% to the average of the closing prices of Shares for the five consecutive trading days ended on the Last Trading Day of approximately HK\$0.0534 per Share;
- (iii) a discount of approximately 14.6% to the average of the closing prices of Shares for the 10 consecutive trading days ended on the Last Trading Day of approximately HK\$0.0527 per Share;
- (iv) a discount of approximately 18.5% to the average of the closing prices of Shares for the 30 consecutive trading days ended on the Last Trading Day of approximately HK\$0.0552 per Share;
- (v) a discount of approximately 5.1% to the theoretical ex-rights price of approximately HK\$0.0474 per Share based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of 10.0% to the closing price of HK\$0.0500 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

LETTER FROM THE BOARD

(vii) a premium of approximately 28.6% to the unaudited consolidated net asset value per Share of approximately HK\$0.035 (based on the latest unaudited consolidated net asset value of the Company of approximately HK\$54,962,000 as at 30 June 2022 as disclosed in the unaudited condensed consolidated statement of financial position of the Group for the six months ended 30 June 2022 and 1,575,420,000 Shares in issue as at the Latest Practicable Date).

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares prior to the announcement of the Rights Issue on 13 October 2022, the then current market conditions (including the fact that (a) the average closing price per Share for the past 12 months from 13 October 2021 to 12 October 2022 before the announcement of the Rights Issue on 13 October 2022 was approximately HK\$0.078 and the lowest and highest closing prices per Share during the same period were HK\$0.045 and HK\$0.108, respectively; and (b) the average and median discounts of the subscription price to the closing price on the last trading day in the recent seven rights issue exercises first announced on the Stock Exchange during the period from 1 February 2022 to 12 October 2022 with a proposed fund raising size below HK\$30 million (before expenses) were approximately 26.07% and 25.00%, respectively), and the amount of funds (being approximately HK\$17.7 million) the Company intends to raise under the Rights Issue.

A summary of the seven comparable rights issues, being exhaustive cases based on the selection criteria set out above, is set out below:

No.	Company name	Gross proceeds from the rights issue	Subscription price	Closing price on the last trading day	Approximate discount to the closing price on the last trading day	Date of announcement
1.	Easy Repay Finance & Investment Limited (Stock code: 8079)	Approximately HK\$14.42 million	HK\$0.120	HK\$0.218	44.95%	10 August 2022
2.	Wan Cheng Metal Packaging Company Limited (Stock code: 8291)	Up to approximately HK\$24.0 million	HK\$0.300	HK\$0.400 (Note 1)	25.00%	14 July 2022
3.	Gameone Holdings Limited (Stock code: 8282)	Up to approximately HK\$22.4 million	HK\$0.280	HK\$0.470	40.43%	10 June 2022
4.	F8 Enterprises (Holdings) Group Limited (Stock code: 8347)	Up to approximately HK\$17.1 million	HK\$0.340	HK\$0.360 (Note 2)	5.56%	25 May 2022
5.	Palinda Group Holdings Limited (Stock code: 8179)	Approximately HK\$29.3 million	HK\$0.100	HK\$0.166	39.76%	28 April 2022
6.	China Eco-Farming Limited (Stock code: 8166)	Approximately HK\$8.9 million	HK\$0.160	HK\$0.178	10.11%	3 March 2022
7.	Zioncom Holdings Limited (Stock code: 8287)	Up to approximately HK\$23.1 million	HK\$0.070	HK\$0.084	16.67%	28 February 2022
	Average discount				26.07%	
	Median discount				25.00%	

LETTER FROM THE BOARD

Notes:

1. This is the theoretical closing price after taking into account the effect of the share consolidation based on the closing price of HK\$0.100 per existing share.
2. This is the theoretical closing price after taking into account the effect of the share consolidation based on the closing price of HK\$0.036 per existing share.

The Directors note that the discount of the Subscription Price to the closing price of HK\$0.0480 per Share on the Last Trading Day (i.e. approximately 6.3%) is lower than the average and median discounts seen in the comparable rights issue exercises as referred to above (i.e. approximately 26.07% and 25.00%, respectively).

In view of the above, 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.

Dilution effect

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

The Rights Issue will potentially result in a mild cumulative theoretical dilution effect (within the meaning ascribed to it in Rule 7.27B of the Listing Rules) of approximately 6.49% when aggregated with the November 2021 Rights Issue, being the discount of the theoretical diluted price (as defined in note 1(a) to Rule 7.27B of the Listing Rules) of approximately HK\$0.122 per Share to the benchmarked price (as defined in note 1(b) to Rule 7.27B of the Listing Rules) of HK\$0.131 per Share in respect of the November 2021 Rights Issue. The Directors consider that the interests of the Qualifying Shareholders will not be prejudiced given that:

- (a) the Rights Issue which is to raise funds for the Group's operations provides the Qualifying Shareholders the opportunity to subscribe for their pro-rata Rights Shares which will enable them to maintain their shareholding interests in the Company (save for fractional entitlements) at a discount to the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day; and
- (b) the Qualifying Shareholders who do not take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to make excess applications for additional Rights Shares and/or acquire additional nil-paid Rights Shares in the market.

LETTER FROM THE BOARD

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every four (4) Shares held by a 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 full amount payable for the Rights Shares being applied for with the Registrar by 4:00 p.m. on the Final Acceptance Date.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder as at the close of business on the Record Date. The last day of lodging transfer of Shares with the Registrar in order to qualify for the Rights Issue was Thursday, 10 November 2022.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificate(s)) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Thursday, 10 November 2022.

The last day of dealings in the Shares on a cum-rights basis is Tuesday, 8 November 2022. The Shares will be dealt with on an ex-rights basis from Wednesday, 9 November 2022.

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

Rights of Overseas Shareholder(s)

The Prospectus Documents have not been registered or filed 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.

According to the register of members of the Company as at the close of business on the Record Date, there were 51 Overseas Shareholders whose registered addresses were located in Argentina, Australia, British Virgin Islands, Canada, Macau, Malaysia, New Zealand, the PRC, Singapore and the United Kingdom holding 11,635,134 Shares in aggregate, representing approximately 0.74% of the issued share capital of the Company as at the Record Date.

LETTER FROM THE BOARD

The Board has made due enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the legal restrictions under the laws of the aforementioned jurisdictions and the requirements of the relevant regulatory body or stock exchange in respect of the Rights Issue in such jurisdictions. Having considered the advice of its legal advisers as to the laws of the aforementioned jurisdictions, the Directors have formed the view that it is necessary or expedient to exclude the Overseas Shareholders whose registered address(es) are located in Australia, Canada, Malaysia, New Zealand and Singapore due to the time and costs involved in the registration or filing of this prospectus and/or approval required by the relevant authorities in such jurisdictions and the additional steps the Company and/or the Overseas Shareholders in such jurisdictions need to take to comply with the local legal requirements and/or other requirements to be satisfied in order to comply with the relevant local legal or regulatory requirements in such jurisdictions. As at the close of business on the Record Date, there were 29 Non-Qualifying Shareholders who held an aggregate of 22,791 Shares, representing approximately 0.0014% of the total issued Shares as at the Record Date. Their respective shareholdings in the Company as at the close of business on the Record Date are set out below:

Jurisdictions in which the registered addresses of Non-Qualifying Shareholders were located	Number of Shareholders	Number of Shares held	Approximate percentage of shareholding in the Company (%)
Australia	3	1,122	0.0001
Canada	2	244	0.0000
Malaysia	6	6,975	0.0004
New Zealand	1	69	0.0000
Singapore	17	14,381	0.0009

LETTER FROM THE BOARD

Further, based on the relevant legal advice obtained, in respect of Overseas Shareholders having registered addresses in Singapore, your attention is drawn to the following statements:

“This prospectus and any other document or material issued in connection with the offer of Rights Shares has not been and will not be lodged with or registered as a prospectus in Singapore under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). The offer of the Rights Shares is made in reliance on the offering exemption under section 273(1)(cd) of the SFA. This prospectus and any other document or material in connection with the offer of the Rights Shares may not be circulated or distributed, nor may the Rights Shares be offered or sold, whether directly or indirectly, to any person in Singapore other than to a member of the Company pursuant to section 273(1)(cd) of the SFA or otherwise pursuant to, and in accordance with the conditions of an exemption under section 274 or section 275, or where applicable, section 276 of the SFA.

The Rights Shares are Prescribed Capital Markets Products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).”

Based on the advice of the legal advisers in British Virgin Islands, Macau and the PRC, under the applicable legislations of these jurisdictions, there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in such jurisdictions, and as advised by the legal advisers in Argentina and the United Kingdom, the Rights Issue meets the relevant exemption requirements under the relevant applicable legislations of the relevant jurisdictions so that the Company would be exempt from obtaining approval from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions. Accordingly, the Board has resolved to extend the Rights Issue to the Overseas Shareholders having registered addresses in Argentina, British Virgin Islands, Macau, the PRC and the United Kingdom and such Overseas Shareholders are considered as Qualifying Shareholders.

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 Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

LETTER FROM THE BOARD

It is the responsibility of any person (including but not limited to Shareholders and beneficial owners of the Shares, any agent, custodian, nominee or trustee) outside Hong Kong 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.

Any acceptance of the offer of the Rights Shares by any person by way of completion or return to the Registrar of a PAL and/or an EAF will be deemed to constitute a representation and warranty from such person to the Company that the applicable local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties provisions above.

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.

Notwithstanding any other provision in this prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying 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, will be paid pro-rata (rounded down to the nearest cent) to the relevant Non-Qualifying Shareholder(s) in Hong Kong dollars provided that the amount so payable is not less than HK\$100. The Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders.

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.

LETTER FROM THE BOARD

Distribution of the Prospectus Documents

The Company will only send this prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this prospectus and the Overseas Letter, for information purposes only, to the Non-Qualifying Shareholders. The Company will not send any PAL or EAF to the Non-Qualifying Shareholders.

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 and comply with the relevant regulatory requirements. Any failure to comply with such regulatory requirements may constitute a violation of the securities laws of such jurisdictions. The Company shall not be obliged to issue any nil-paid or fully-paid Rights Shares to any such Overseas Shareholder if the Company, in its absolute discretion, considers that to do so does not comply with the relevant laws of 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 and/or an EAF or the crediting of nil-paid Rights Shares 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 and/or an EAF 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 and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil-paid Rights Shares to any person in, into or from, any such jurisdiction. If a PAL or an EAF or a credit of nil-paid Rights Shares 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 apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares 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 or an EAF 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 prior written consent of the Company.

LETTER FROM THE BOARD

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 Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the Overseas Shareholders, 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. Any acceptance by any such persons will be deemed to constitute a representation and warranty from them to the Company that the local laws and requirements have been complied with.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects 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.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expenses) can be obtained, and the Company will keep the net proceeds for its own benefit. Any unsold fractions of the Rights Shares will be aggregated and made available for excess application by the Qualifying Shareholders.

Odd lot matching services

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed One China Securities Limited to stand in the market to match the purchase and sale of odd lots of the Shares at the relevant market price, on a best effort basis. Holders of odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Ms. Carmen Wong of One China Securities Limited at 2/F., Cheong K. Building, 86 Des Voeux Road Central, Central, Hong Kong or at the telephone number (852) 3188 2676 during office hours of the period from Wednesday, 14 December 2022 at 9:00 a.m. to Thursday, 5 January 2023 at 4:00 p.m., both days inclusive. Holders of the odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

LETTER FROM THE BOARD

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 by not later than 4:00 p.m. on Monday, 5 December 2022 (or, under bad weather conditions and/or Extreme Conditions, such later time and/or date as mentioned in the section headed “Expected Timetable – Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares and for Application and Payment for Excess Rights Shares” 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 “**TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 29**” and crossed “**ACCOUNT PAYEE ONLY**”. No receipt will be issued in respect of any subscription monies received. 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 Monday, 5 December 2022, 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.

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 Friday, 25 November 2022 to the Registrar, who will cancel the original PAL and issue new PAL in the denominations required which will be available for collection from the Registrar, 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 stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

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

The PAL contains 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. Shareholders are advised to study the procedures set out in the PAL carefully.

LETTER FROM THE BOARD

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this section is not fulfilled or, where applicable, waived at or before 4:30 p.m. on Tuesday, 6 December 2022 (or such later time and/or date as the Company may determine), 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 Tuesday, 13 December 2022.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for, by way of excess application:

- (i) any unsold entitlements to the Rights Shares which would have been provisionally allotted to the Non-Qualifying Shareholder(s);
- (ii) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and
- (iii) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

(i) to (iii) collectively referred to as “**Untaken Rights**”.

Application for excess Rights Shares may be made by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable for application for the excess Rights Shares, with the Registrar by not later than 4:00 p.m. on Monday, 5 December 2022 (or, under bad weather conditions and/or Extreme Conditions, such later time and/or date as mentioned in the section headed “Expected Timetable – Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares and for Application and Payment for Excess Rights Shares” in this prospectus). All remittances must be made by cheque or banker’s cashier order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**TRICOR TRUST (HONG KONG) LIMITED – A/C NO. 30**” and crossed “**ACCOUNT PAYEE ONLY**”. No receipt will be issued in respect of any application monies received.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;

LETTER FROM THE BOARD

- (ii) no reference will be made to the Rights Shares subscribed through applications by PAL or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by the Controlling Shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

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

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company as at the Record Date. Accordingly, the investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Investors whose Shares are held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. For those investors who would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Registrar by 4:30 p.m. on Thursday, 10 November 2022.

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

LETTER FROM THE BOARD

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on his/her/its application is expected to be returned to him/her/it in full without interest on or before Tuesday, 13 December 2022 by means of cheques despatched by the Registrar by ordinary post at the risk of the Qualifying Shareholder to his/her/its registered address. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than what is applied for, a cheque for the amount of the surplus application monies will be returned to him/her/it without interest and despatched to him/her/it by ordinary post at his/her/its own risk to his/her/its registered address on or before Tuesday, 13 December 2022.

If any of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Rights Issue – Conditions of the Rights Issue” in this prospectus is not fulfilled or, where applicable, waived at or before 4:30 p.m. on Tuesday, 6 December 2022 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders 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 Tuesday, 13 December 2022.

The EAF is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any application monies received.

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 or an EAF 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 or EAF (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.

LETTER FROM THE BOARD

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 section headed “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.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

The nil-paid Rights Shares and fully-paid Rights Shares will be traded in the board lots of 50,000 Shares, being the new board lot size of the Shares after the Change in Board Lot Size takes effect.

No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

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

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second 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. 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.

LETTER FROM THE BOARD

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.

Share certificates and refund cheques for Rights Issues

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Rights Issue – Conditions of the Rights Issue” in this prospectus, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Tuesday, 13 December 2022.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 13 December 2022 by ordinary post to the applicants’ registered addresses, at their own risk.

The Rights Issue is on a non-underwritten basis

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There is no minimum amount to be raised under the Rights Issue. The legal advisers of the Company have confirmed that there are no statutory requirements under the laws of Bermuda and the laws of Hong Kong regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of its entitlement under PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the executive (as defined in the Takeovers Code) has been obtained. Accordingly, the Rights Issue will be made on the term that the Company will, pursuant to Rule 7.19(5) of the Listing Rules, provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

For the avoidance of doubt, the above provision shall not apply to HKSCC Nominees Limited.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment or waiver (as appropriate) of each of the following conditions:

- (a) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively, not later than the Posting Date, each of the Prospectus Documents duly certified in compliance with section 342C of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of this prospectus and the Overseas Letter to the Non-Qualifying Shareholder(s), if any, and for information only, on or before the Posting Date;
- (c) the Listing Committee granting, or agreeing to grant (subject to allotment), the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listing and permission to deal not having been withdrawn or revoked;
- (d) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid or fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused; and
- (e) there shall not have occurred and be continuing any of the following:
 - (i) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) which in the absolute opinion of the Company in any material respect affects the success of the Rights Issue (such success being the taking up of the Rights Shares by Shareholders or the transferees of the nil-paid rights) or otherwise in the absolute opinion of the Company makes it inexpedient or inadvisable or inappropriate for the Company to proceed with the Rights Issue; or

LETTER FROM THE BOARD

- (ii) any event of force majeure including, without limiting the generality thereof, any act of God, war, fire, flood, explosion, epidemic, terrorism, which in any material respect adversely affects the business or the financial or trading position or prospects of the Company and its subsidiaries considered as a whole or the Rights Issue; or
- (iii) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company and its subsidiaries considered as a whole, whether or not of the same kind with any of the foregoing; or
- (iv) any suspension in the trading of the securities generally or the Company's securities on the Stock Exchange for a period of more than 30 consecutive trading days, excluding any halt or suspension in connection with the clearance of the announcement or circular or prospectus of the Company for the Rights Issue or other announcements or circulars in connection with the Rights Issue.

Save for conditions (e) above which can be waived (conditionally or unconditionally) by the Company, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, and/or waived (where applicable) at or before 4:30 p.m. on Tuesday, 6 December 2022 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed.

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

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

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

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of the 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 above headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" in this prospectus. Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied and/or waived (where applicable) at or before 4:30 p.m. on Tuesday, 6 December 2022 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed.

LETTER FROM THE BOARD

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

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company was closed from Friday, 11 November 2022 to Thursday, 17 November 2022 (both dates inclusive) for the purpose of determining the Shareholders' entitlements to the Rights Issue. During this period, no transfer of Shares was registered.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company: (a) as at the Latest Practicable Date; (b) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders and there is no change in the number of Shares in issue on or before the Record Date and there are no Non-Qualifying Shareholders; (c) immediately after completion of the Rights Issue assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic, and (ii) Beta Dynamic applies for excess applications for 148,084,896 Rights Shares and no excess applications are made by the other Qualifying Shareholders, and there is no change in the number of Shares in issue on or before the Record Date and there are no Non-Qualifying Shareholders; and (d) immediately after completion of the Rights Issue, assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic, and (ii) no excess applications are made by Beta Dynamic and the other Qualifying Shareholders, and there is no change in the number of Shares in issue on or before the Record Date and there are no Non-Qualifying Shareholders:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming full acceptance by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) Beta Dynamic applies for excess applications for 148,084,896 Rights Shares and no excess applications are made by the other Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) no excess applications are made by Beta Dynamic and the other Qualifying Shareholders)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Substantial Shareholder								
Beta Dynamic (Note)	983,080,417	62.40	1,228,850,521	62.40	1,376,935,417	69.92	1,228,850,521	67.48
Public Shareholders	<u>592,339,583</u>	<u>37.60</u>	<u>740,424,479</u>	<u>37.60</u>	<u>592,339,583</u>	<u>30.08</u>	<u>592,339,583</u>	<u>32.52</u>
	<u>1,575,420,000</u>	<u>100.00</u>	<u>1,969,275,000</u>	<u>100.00</u>	<u>1,969,275,000</u>	<u>100.00</u>	<u>1,821,190,104</u>	<u>100.00</u>

LETTER FROM THE BOARD

Note:

The 983,080,417 Shares are beneficially owned by Beta Dynamic which is wholly and beneficially owned by Mr. Cheung Siu Fai, an executive Director. Mr. Cheung Siu Fai is also the sole director of Beta Dynamic. Besides, the 983,080,417 Shares are also subject to stock borrowing arrangements between Beta Dynamic (as lender) and Hammer Capital Ventures Limited (which is also wholly and beneficially owned by Mr. Cheung Siu Fai) (as borrower) pursuant to a securities borrowing and lending agreement dated 29 September 2022.

As at the Latest Practicable Date, the Company has not received any written undertaking from Beta Dynamic to take up all or part of its entitlement under the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group currently has a portfolio of business interests in the telecommunications, information technology, financial solution, software development, distribution sectors and property investment business in Hong Kong and Singapore.

As disclosed in the interim report of the Company for the six months ended 30 June 2022, the Group recorded a loss for the six months ended 30 June 2022 of approximately HK\$11.6 million, representing an increase in its loss of approximately 10.5% compared to approximately HK\$10.5 million for the same period last year whereas the Group's revenue for the six months ended 30 June 2022 decreased by approximately 34.8% to approximately HK\$44.6 million from approximately HK\$68.4 million for the same period last year. The Group has been exploring ways to improve its liquidity and enhance its financial position.

The Rights Issue, if completed and subscribed in full, will bring net proceeds of approximately HK\$16.5 million to the Company. This translates to a net Subscription Price of approximately HK\$0.0420 per Rights Share. The Company intends to apply such net proceeds in the following manner:

- (a) approximately HK\$6.2 million towards repayment of outstanding loan in the principal amount of HK\$6.0 million from Mr. Cheung Siu Fai, an executive Director, and accrued interest thereon. The term loan was granted by Mr. Cheung Siu Fai to the Company in August 2022 with a facility limit up to HK\$10.0 million, of which HK\$4.0 million was yet to be utilised as at 30 September 2022. The loan was unsecured, unguaranteed, interest bearing at 9.8% per annum and repayable on demand, the main purpose of which is to provide additional general working capital to enhance the Company's financial position. As at 30 September 2022, the interest payable relating to such loan was approximately HK\$50,000 and payable on 30 November 2022;
- (b) approximately HK\$0.1 million towards promotion and online marketing expenses of the e-Commerce platform for sale and distribution of wine, details of which were disclosed in the announcement of the Company dated 6 July 2022;

LETTER FROM THE BOARD

- (c) approximately HK\$6.2 million towards the staff costs, including directors' remuneration and staff insurance expenses, save for the cost incurred for the investment in the e-Commerce platform;
- (d) approximately HK\$1.2 million towards the audit and other professional fees;
- (e) approximately HK\$1.0 million towards the rental expenses; and
- (f) the remainder of approximately HK\$1.8 million towards other administrative expenses, including printing fees, annual listing fees and annual PIE levy payables for the year ending 31 December 2023.

As set out in the interim report of the Company for the six months ended 30 June 2022, the bank balances and cash (excluding pledged bank deposits) of the Group as at 30 June 2022 amounted to approximately HK\$18.2 million, representing a significant decrease of approximately 40.7% compared to approximately HK\$30.7 million as at 31 December 2021. The decrease was mainly due to cash used in operations, including payments for services provided by suppliers, staff costs, rental expenses and other administrative expenses. As at 30 June 2022, the pledged bank deposits of the Group amounted to approximately HK\$0.7 million and bank guarantees of approximately HK\$0.5 million as at 30 June 2022 were issued to suppliers for operation requirements. After excluding from the Group's total bank balances and cash as at 30 June 2022 (i) the amount for the repayment of the outstanding loans in the principal amount of approximately HK\$5.7 million due to two former non-executive Directors; (ii) approximately HK\$7.0 million originally allocated towards the future investment opportunities in the Complementary Businesses which was reallocated to the development of the e-Commerce platform, details of which were disclosed in the announcement of the Company dated 6 July 2022; and (iii) approximately HK\$1.8 million towards funding tender submissions, supplier deposits and other payments for projects awarded to the Group's telecommunication business, the Board considers that the cash level on hand is thin for the size of the Group's operations. Further, in light of the financial performance of the Group for the six months ended 30 June 2022, the challenges from the rising global inflationary pressure, the disruption of the global supply chain as a result of the Russia-Ukraine war and the impact from the fluid situation of the COVID-19 pandemic on the business of the Group in the foreseeable future, the Board considers that it is vital for the Group to have access to additional funding and working capital in order to strive for better business performance of the Group and to cope with the increasing uncertainties over the global economic environment and business outlook.

LETTER FROM THE BOARD

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and the feedbacks from the three securities firms approached by the Company to explore the possibility of private placement had not been positive. In addition, placings will dilute the interests of 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 Company.

Having considered the abovementioned alternatives, the Directors consider that raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company, and thus, in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, 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 there shall arise any other potential investment opportunities or any change of the Group's current circumstances and existing business plans and that the net proceeds may not satisfy such upcoming financing and operational needs, the Board does not rule out the possibility that the Company may conduct further equity fund raising exercises to support such future developments of the Group.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s) should note that their shareholdings will be diluted.**

In the event the Rights Issue is undersubscribed, the Company intends to borrow from other financial institution(s) and/or seek further financial support from Mr. Cheung Siu Fai, an executive Director.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company raised proceeds net of expenses of approximately HK\$25.0 million by the issue of 262,570,000 new Shares pursuant to the November 2021 Rights Issue.

As at 31 August 2022, the Group had utilised approximately HK\$17.8 million, representing approximately 71.2% of the net proceeds from the November 2021 Rights Issue, and the remaining balance of the net proceeds from the November 2021 Rights Issue was approximately HK\$7.2 million.

Details of the original allocation of the net proceeds from the November 2021 Rights Issue as disclosed in the prospectus of the Company dated 12 November 2021, the revised allocation thereof as announced on 6 July 2022, and the amount of utilised and unutilised net proceeds as at 31 August 2022 are set out as follows:

	Original allocation as disclosed in the prospectus dated 12 November 2021 HK\$'million (approximately)	Revised allocation as announced on 6 July 2022 HK\$'million (approximately)	Utilised net proceeds HK\$'million (approximately)	Unutilised net proceeds HK\$'million (approximately)
Funding tender submissions, supplier deposits and other payments for projects awarded to the Group's telecommunication business	2.1	2.1	1.7	0.4 ⁽¹⁾
Repayment of loan owing to Mr. Cheung Siu Fai	10.8	10.8	10.8	–
General working capital, including operating and administrative expenses, salary and rental expenses	5.1	5.1	5.1	–
Future investment opportunities in the Complementary Businesses	7.0	–	–	–
E-Commerce platform focusing on wine	–	7.0	0.2	6.8 ⁽²⁾
	<u>25.0</u>	<u>25.0</u>	<u>17.8</u>	<u>7.2</u>

Notes:

- It is expected that the unutilised net proceeds as at 31 August 2022 for this use would be fully utilised by the year end of 2022.
- It is expected that the unutilised net proceeds as at 31 August 2022 for this use would be fully utilised by the year end of 2023.

Save for the November 2021 Rights Issue, the Company has not conducted any equity fund raising activities in the 12 months immediately prior to the date of the Company's announcement dated 13 October 2022 in respect of the Rights Issue.

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000. In order to increase the value of each board lot of the Shares, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 10,000 Shares to 50,000 Shares with effect from 9:00 a.m. on Wednesday, 14 December 2022. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and its Shareholders as a whole.

Based on the closing price of HK\$0.0480 per Share on the Last Trading Day as quoted on the Stock Exchange, the market value of each existing board lot of the Shares is HK\$480 and the theoretical market value of each proposed new board lot of the Shares (assuming the Change in Board Lot Size had already been effective) is HK\$2,400.

To alleviate the difficulties in trading odd lots of the Shares arising from the Change in Board Lot Size, a designated broker has been appointed to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 14 December 2022 to 4:00 p.m. on Thursday, 5 January 2023 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the odd lots arrangement has been set out in the section headed “Odd lot matching services” in this prospectus.

All existing share certificates in board lot of 10,000 shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 10,000 shares to new share certificate in board lot size of 50,000 shares is necessary.

LISTING RULES IMPLICATIONS

Given that the Rights Issue, when aggregated with the November 2021 Rights Issue, will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to shareholders’ approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

LETTER FROM THE BOARD

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 Non-Qualifying Shareholders 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.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information, unaudited pro forma financial information, the property valuation report in respect of the Group's property in Hong Kong and general information of the Group as set out in the appendices to this prospectus.

By Order of the Board
Great Wall Terroir Holdings Limited
Cheung Siu Fai
Chairman and Executive Director

1. FINANCIAL INFORMATION

Details of the audited consolidated financial statements of the Group and the notes thereto for each of the years ended 31 December 2019, 2020 and 2021 and the unaudited consolidated financial statements of the Group and the notes thereto for six months ended 30 June 2022 are disclosed in the annual reports and interim report of the Company, which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gwt.hk):

- (i) pages 33 to 128 of the annual report of the Company for the year ended 31 December 2019 published on 17 May 2020

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0517/2020051700051.pdf>);

- (ii) pages 32 to 112 of the annual report of the Company for the year ended 31 December 2020 published on 26 April 2021

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600794.pdf>);

- (iii) pages 55 to 144 of the annual report of the Company for the year ended 31 December 2021 published on 26 April 2022

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600629.pdf>);
and

- (iv) pages 3 to 20 of the interim report of the Company for the six months ended 30 June 2022 published on 7 September 2022

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0907/2022090700418.pdf>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 September 2022, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this prospectus, the Group had outstanding loans from former directors, loan from a director, lease liabilities and bank guarantee (utilised) of approximately HK\$15,360,000, details of which are as follows:

Loans from former directors

The Group had outstanding loans from two former directors of approximately HK\$2,378,000 and HK\$3,332,000 respectively, all of which are unsecured, unguaranteed, interest-free and repayable on demand.

Loan from a director

The Group has loan facilities granted by a director amounting to HK\$10,000,000 in total, of which HK\$4,000,000 was not utilised. The outstanding loan from a director was HK\$6,000,000, which is unsecured, unguaranteed, interest bearing at 9.8% per annum and repayable on demand. As at 30 September 2022, the interest payable relating to such loan is approximately HK\$50,000 and payable on 30 November 2022.

Lease liabilities

The Group had lease liabilities (comprising both current and non-current liabilities) of approximately HK\$3,153,000.

Bank guarantee

At the close of business on 30 September 2022, the Group had bank guarantee of approximately HK\$447,000 issued to suppliers for operational requirement and pledged bank deposits of approximately HK\$560,000 in relation thereto. The amount utilised of approximately HK\$447,000 represents the outstanding amounts payable to these suppliers.

Save as disclosed above, except and apart from the intra-group liabilities and normal trade payables, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, hire purchase commitments, liabilities under acceptances or acceptance credits, debentures, mortgages, charges or guarantees or other material contingent liabilities as at the close of business on 30 September 2022. Since 30 September 2022, there has been no material change to the Group's indebtedness.

For the purpose of the indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing as at 30 September 2022.

3. WORKING CAPITAL

Taking into account the estimated net proceeds from the Rights Issue and the financial resources available to the Group, including internally generated funds and external borrowings, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least the 12 months from the date of this prospectus.

4. MATERIAL ADVERSE CHANGES

The Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited 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

During the first half of 2022, while the global economy continued to endure the impact of the COVID-19, the Russia-Ukraine War aggravated the vulnerability of the global economy by disrupting the global supply chain and intensifying the geopolitical tensions between the world's major economies. Both Singapore and Hong Kong ("**Both Markets**"), where the business operations of the Group are principally located in, had gone through a turbulent epidemic phase in the first half of 2022. Apart from the impact of the COVID-19, Both Markets also had to deal with the global inflationary pressure exacerbated by the so-called quantitative easing measures by governments of different countries and disruption of the global supply chain following the Russia-Ukraine War. Such inflationary pressure was reflected by the rising inflation rates of the world's major countries. With the headwinds as described, the economic recoveries of Both Markets were constrained during the first half of 2022.

Against this backdrop, the Group's revenue decreased by approximately 34.8% to approximately HK\$44.6 million for the six months ended 30 June 2022, from approximately HK\$68.4 million for the six months ended 30 June 2021. The decrease was mainly due to the decrease in revenue from the telecom business, which comprises the voice telecommunications and related information technology businesses in Singapore and Hong Kong (the "**Telecom Business**"). The loss attributable to owners of the Company for the first six months in 2022 increased by approximately 10.5% to approximately HK\$11.6 million, from approximately HK\$10.5 million for the same period last year.

After more than two years since the onset of COVID-19, most of the populations of Singapore and Hong Kong have been vaccinated, the government in Both Markets are currently lifting social restrictions phase by phase in an attempt to create favorable conditions for a full-fledged revival of the economy. Singapore Government is planning to further reopen its border in order to recover the economic loss due to the COVID-19 pandemic. However, the recent rebounds in positive cases of Singapore and Hong Kong caused by the BA.4 and BA.5 subvariants have brought uncertainties to full relaxation of the social distancing measures and may even create another wave of COVID-19. With the increasing number of businesses and people adapting to work and life under the COVID-19 pandemic, it is hopeful that the economic harm caused by potentially incoming waves of COVID-19 will cause less damage to the global economy as compared with that of the previous waves. The Group is cautiously optimistic and confident that the Group can overcome the challenges posed by the COVID-19 by continuing to execute the Group's strategy which is to strive for sustainability and long-term profitability of its businesses by addressing customers' needs through an ever-growing array of services and establishing mutual trust relationships with key suppliers.

Competition within the telecom industry in Singapore and Hong Kong continued to be intense as we adapted to a dynamic operating environment where our daily lives and businesses activities continued to be affected by the COVID-19. The Group followed through on its priorities of preserving its operating margins and managing customer churn. In light of companies' increasing demands, amid the prolonged COVID-19 pandemic, on running their businesses remotely, securely, and efficiently at affordable costs, this materialised as an opportunity for the Group to cross-selling other information technology related services, apart from voice telecommunication services, to its existing customers. The Group will capitalise on its existing technology knowhow to ride on the benefits emerging from such increasing demands.

Despite these enormous challenges and risks brought by the COVID-19, rising inflation and potential economic slowdown, the Group will take the window of opportunity to assess the equilibrium between revenue and costs by adjusting price and reducing costs. The Group also focuses to enhance business productivity and operating efficiencies so as to deliver great customer experience in the current business environment.

The Group's information technology business in Hong Kong, which mainly comprised the provision of one-stop information technology services, including but not limited to maintenance of point-of-sale system, installation of server and network equipment, security system and website maintenance (the "**IT Business in Hong Kong**"), commenced business in mid-2021, with the Group's intention to diversify its revenue source of the information technology and distribution business in the PRC and the IT Business in Hong Kong (collectively, the "**IT and Distribution Business**"). Since the commencement of IT Business in Hong Kong, the Group had successfully delivered various projects to its existing corporate clients. Looking ahead, the Group will continue to strengthen its presence in the local market by providing quality services to satisfy the requirements of its clients.

The Group has continued its business endeavours within the regions in the Telecom Business and IT and Distribution Business sectors to complement its existing businesses and beyond. Having considered the rapid development of e-Commerce business sector in Hong Kong during the COVID-19 pandemic and the potential growth in the wine market of Hong Kong, the Group, leveraging on its competitive strength and technology know-how on its existing businesses, is developing an e-Commerce platform on wine (the “**Platform**”) which will allow users of the Platform to buy and sell their wine online. Apart from providing an e-Commerce platform for sale and distribution of wine, the Platform will also provide value-added services such as interim warehousing service and wine inspection service. Please refer to the Company’s announcement dated 6 July 2022 for more details.

The Group will also continue to look for new business opportunities to diversify its business in order to generate better returns for the shareholders of the Company.

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 June 2022.

The Unaudited Pro Forma Financial Information has been prepared for illustration purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company had the Rights Issue been completed as at 30 June 2022 or at any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022, as extracted from the published interim report of the Group for the six months ended 30 June 2022 and the adjustments described below.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022 after the completion of the Rights Issue	Consolidated net tangible assets per Share attributable to the owners of the Company as at 30 June 2022	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after the completion of the Rights Issue
	HK\$'000	HK\$'000	HK\$'000	HK\$	HK\$
	Note 1	Note 2	Note 3	Note 4	Note 5
Based on 393,855,000 Rights Shares at a Subscription Price of HK\$0.045 per Rights Share	58,183	16,546	74,729	0.037	0.038

Notes:

- (1) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$58,183,000 as at 30 June 2022 is based on the consolidated net assets of the Group attributable to owners of the Company of approximately HK\$58,183,000 as extracted from the published interim report of the Group for the six months ended 30 June 2022.
- (2) The estimated net proceeds from the Rights Issue are based on a total of 393,855,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at a subscription price of HK\$0.045 per Rights Share, after deduction of the estimated expenses directly attributable to the Rights Issue of approximately HK\$1,177,000.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after completion of the Rights Issue represent the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2022 plus the estimated net proceeds from the Rights Issue as set out in Note 2 above.
- (4) The calculation of the unaudited consolidated net tangible assets per Share attributable to the owners of the Company as at 30 June 2022 before the completion of the Rights Issue is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2022 of approximately HK\$58,183,000, divided by the number of Shares in issue as at 30 June 2022 i.e. 1,575,420,000 Shares.
- (5) The calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company as at 30 June 2022 after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after the Rights Issue of approximately HK\$74,729,000, being the aggregate of the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$58,183,000 and the estimated net proceeds from the Rights Issue of approximately HK\$16,546,000 (see Note 3), divided by 1,969,275,000 Shares which represent the sum of 1,575,420,000 Shares in issue as at 30 June 2022 and 393,855,000 Rights Shares.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group subsequent to 30 June 2022.

**B. REPORTING ACCOUNTANT'S ASSURANCE REPORT ON UNAUDITED PRO
FORMA FINANCIAL INFORMATION**

The following is the text of a letter from the reporting accountants of the Company, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the Unaudited Pro Forma Financial Information of the Group.



天健國際會計師事務所有限公司
Confucius International CPA Limited

Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-08室
Rooms 1501-08, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
電話 Tel: (852) 3103 6980
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21 November 2022

Board of Directors

Great Wall Terroir Holdings Limited

Room 1005, 10/F.,

Tower Two, Lippo Centre,

No. 89 Queensway,

Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of Great Wall Terroir Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”). The Unaudited Pro Forma Financial Information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022 and related notes as set out in Appendix II of the prospectus issued by the Company dated 21 November 2022 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Company's proposed rights issue of up to 393,855,000 rights shares at the subscription price of HK\$0.045 per rights share on the basis of one (1) rights share for every four (4) shares held on the record date (the "**Rights Issue**") on the Group's consolidated net tangible assets attributable to the owners of the Company as at 30 June 2022 as if the Rights Issue had taken place at 30 June 2022. As part of this process, information about the Group's consolidated net tangible assets attributable to the owners of the Company has been extracted by the Directors from the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2022, which were published in the announcement of the Company in relation to the interim results of the Company dated 25 August 2022.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited 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 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical 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" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 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 Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Company’s Rights Issue at 30 June 2022 would have been as presented.

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

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

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

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Confucius International CPA Limited

Certified Public Accountants

Hong Kong

21 November 2022

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this prospectus received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2022 of the Group's property in Hong Kong.



17/F., 83 Wan Chai Road,
Wan Chai, Hong Kong,
T: (852) 2811 1876 F: (852) 3007 8501
W: www.raviagroup.com
E: general@raviagroup.com

21 November 2022

The Board of Directors
Great Wall Terroir Holdings Limited
Room 1005, 10/F.,
Tower Two, Lippo Centre,
No. 89 Queensway,
Hong Kong

Dear Sirs/Madams,

**Re: Property Valuation of Units Nos. 4 & 6 on 11th Floor of Block A, Sea View Estate,
No. 2 Watson Road, Hong Kong**

In accordance with the instructions of Great Wall Terroir Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) to value the captioned property in Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property as at 30 September 2022 (the “**Valuation Date**”) for the purpose of incorporation in the prospectus of the Company dated 21 November 2022.

1. BASIS OF VALUATION

Our valuation of property is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the property by direct comparison approach assuming sale of the property in their existing states and by making reference to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

For the property in Hong Kong, we have carried out sample land searches at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

In valuing the property, we have relied on the advice given by the Group that the Group has valid and enforceable title to the property which is freely transferable and has free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market value of such property.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the values of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the property under consideration, but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect the market value.

In valuing the property, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Unless otherwise stated, all monetary amounts stated in our valuations are in Hong Kong Dollars (HK\$).

Our Valuation Certificate is attached herewith.

Yours faithfully,

For and on behalf of

RAVIA GLOBAL APPRAISAL ADVISORY LIMITED

Dr. Alan Lee

PhD(BA) MFin BCom(Property)

MHKIS RPS(GP) AAPI CPV CPV(Business)

Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 17 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

VALUATION CERTIFICATE

Property held by the Group for investment purpose in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2022
Units Nos. 4 & 6 on 11th Floor of Block A, Sea View Estate, No. 2 Watson Road, Hong Kong 543/95,000th equal and undivided shares of and in Section A of Marine Lot No. 293; and Inland Lot No. 1780	<p>The property comprises two workshop units with a total saleable area of about 4,178 sq.ft. (or about 388.15 sq.m.) as per the registered floor plan which are situated on the 11th Floor of Block A, Sea View Estate.</p> <p>Block A, Sea View Estate is a 15-storey industrial building with the occupation permit issued on 11 June 1966. It is situated on the junction of Watson Road and Electric Road in the North Point District. The vicinity is predominated by residential, industrial, and commercial developments. Fortress Hill MTR station is within ten minutes walking distance.</p> <p>Section A of Marine Lot No.293 is held under Government Lease for a term of 75 years commencing on 5 November 1906 and renewable for a further term of 75 years; Inland Lot No.1780 is held under Government Lease for a term of 75 years commencing on 23 December 1907 and renewable for a further term of 75 years (rent per annum: HK\$157,368).</p>	The property is subjected a tenancy agreement for a term of 5 years from 1 October 2021 to 30 September 2026 with a monthly rent of HK\$120,000, exclusive of management fee, rates and other outgoings, for purpose of godown or industrial use only.	HK\$53,000,000

Notes:

1. The registered owner of the property is Palico Development Limited vide Memorial No. UB5996599 dated 31 March 1994.
2. The property falls within an area zoned "Commercial (1)" under the Approved North Point Outline Zoning Plan No. S/H8/26 gazette under Section 9(1)(a) of Town Planning Ordinance on 25 August 2017.
3. The property is subjected to a Deed of Mutual Covenant with Plans vide Memorial No. UB2226951 dated 23 January 1982.
4. The inspection was performed by Dr. Alan Lee, MHKIS, in October 2022.

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

	Authorised shares	Shares in issue as at the Latest Practicable Date	Rights Shares to be issued pursuant to the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) applies for excess applications for 148,084,896 Rights Shares and no excess applications are made by the other Qualifying Shareholders)	Rights Shares to be issued pursuant to the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) no excess applications are made by Beta Dynamic and the other Qualifying Shareholders)	Shares in issue upon completion of the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) applications are made by Beta Dynamic and the other Qualifying Shareholders)	Shares in issue upon completion of the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) applications are made by Beta Dynamic and the other Qualifying Shareholders)	Shares in issue upon completion of the Rights Issue (assuming (i) nil acceptance by the Qualifying Shareholders other than Beta Dynamic and (ii) applications are made by Beta Dynamic and the other Qualifying Shareholders)
Total number of Shares/Rights Shares (as applicable)	12,000,000,000	1,575,420,000	393,855,000	393,855,000	245,770,104	1,969,275,000	1,821,190,104
Aggregate nominal value (HK\$)	120,000,000.00	15,754,200.00	3,938,550.00	3,938,550.00	2,457,701.04	19,692,750.00	18,211,901.04

All the Shares in issue are fully-paid and rank *pari passu* in all respects including as regards to dividends, voting rights and return of capital. All Rights Shares to be issued will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

The Company has applied to the Listing Committee for the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms).

The nil-paid Rights Shares and fully-paid Rights Shares will be traded in the board lots of 50,000 Shares, being the new board lot size of the Shares after the Change in Board Lot Size takes effect.

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

As at the Latest Practicable Date, none of the members of the Group had any outstanding derivatives, options (or agreed conditionally or unconditionally to be put under option), warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares, and there was no arrangement under which dividends are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules were as follows:

Interests in the Shares, underlying Shares and debentures of the Company

Name of director	Capacity	Number of Shares interested (long position)	Approximate percentage of shareholding
Cheung Siu Fai	Interest of a controlled corporation	983,080,417 (Note 1)	62.40% (Note 2)

Notes:

1. The 983,080,417 Shares are beneficially owned by Beta Dynamic which is wholly and beneficially owned by Mr. Cheung Siu Fai. Mr. Cheung Siu Fai is also the sole director of Beta Dynamic. Besides, the 983,080,417 Shares are also subject to stock borrowing arrangements between Beta Dynamic (as lender) and Hammer Capital Ventures Limited (which is also wholly and beneficially owned by Mr. Cheung Siu Fai) (as borrower) pursuant to a securities borrowing and lending agreement dated 29 September 2022.
2. The percentage of shareholding was calculated based on 1,575,420,000 Shares, being the total issued share capital of the Company as at the Latest Practicable Date.

Interests in shares, underlying shares and debentures of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares held by Director	Percentage of interests in the share capital of the associated corporation
Cheung Siu Fai	Beta Dynamic (Note 3)	Beneficial owner	130,000	100%

Note:

3. Beta Dynamic, which holds more than 50% of the total issued share capital of the Company, is the holding company of the Company and thus an associated corporation of the Company under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests and short positions in the Shares and underlying Shares of substantial shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, save as disclosed below, no person (other than the Directors or chief executive of the Company), had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under Section 336 of the SFO, or was, directly or indirectly, interested in 10% or more of the issued voting share capital of any other member of the Group:

Name of Shareholder	Capacity	Number of Shares interested (long position)	Approximate percentage of shareholding
Beta Dynamic	Beneficial owner	983,080,417 <i>(Note 1 above)</i>	62.40% <i>(Note 2 above)</i>

4. LITIGATION

Save as disclosed in note 25(b) to the annual report of the Company for the financial year ended 31 December 2021 in connection with the legal proceedings initiated by the Group against a former Director (Mr. Yeung Chun Wai Anthony) for damages for breach of contract involving certain shares in SingAsia Holdings Limited (stock code: 8293), as at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance pending or threatened against the Company or any member of the Group.

5. MATERIAL CONTRACTS

The following contracts, not being a contract entered into in the ordinary course of business of the Group, were entered into by members of the Group during the two years immediately preceding the date of this prospectus and are or may be material:

- (a) a sale and purchase agreement dated 5 February 2021 entered into between ZONE Asia Holdings Limited (a wholly-owned subsidiary of the Company) as vendor and Mr. Stuart Hua Koon TAN as purchaser in respect of the sale and purchase of 15,000 shares (representing approximately 14.8% of shares in issue) in Zero1 Pte. Ltd., for a consideration of S\$150,000 (approximately HK\$868,500); and

- (b) a provisional sale and purchase agreement dated 3 March 2021 entered into between the Company as purchaser and Ritzy Soar Limited as vendor in relation to the purchase of the entire issued share capital of Palico Development Limited and the corresponding sale loan for a consideration of HK\$51,750,000.

6. DIRECTOR'S INTEREST IN CONTRACTS AND ASSETS

- (i) None of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and
- (ii) save as disclosed below, none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this prospectus which is significant in relation to the business of the Group:

The Company and Mr. Cheung Siu Fai entered into a loan agreement dated 31 August 2022 pursuant to which Mr. Cheung Siu Fai agreed to provide an unsecured and unguaranteed loan in the principal amount of HK\$10,000,000 to the Company with interest accruing at the rate of 9.8% per annum. The principal and interest accrued under the loan are repayable on demand. As at 30 September 2022, the outstanding loan due to Mr. Cheung Siu Fai was HK\$6,000,000 and HK\$4,000,000 was not utilised by the Company. The interest payable relating to such loan was approximately HK\$50,000 and payable on 30 November 2022.

The loan above constitutes a fully-exempted connected transaction under Rule 14A.90 of the Listing Rules.

7. QUALIFICATIONS AND CONSENT OF THE EXPERTS

The following are the qualifications of the professional advisers who have given opinions or advice contained in this prospectus:

Name	Qualification
Confucius International CPA Limited	Certified Public Accountants
Ravia Global Appraisal Advisory Limited	Independent professional valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its letter, report and/or opinion and references to its name in the form and context in which it appears.

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

As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal Place of Business in Hong Kong	Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong
Authorised Representatives	Mr. Hui Chun Wai Henry Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong Mr. Leung Yung Yan Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong

Company Secretary	Mr. Leung Yung Yan <i>Member of the Hong Kong Institute of Certified Public Accountants</i> Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong
Legal Adviser to the Company as to the Rights Issue	Loeb & Loeb LLP 2206-19 Jardine House 1 Connaught Place Central Hong Kong
Auditor and Reporting Accountants	Confucius International CPA Limited <i>Certified Public Accountants</i> Rooms 1501-8, 15th Floor Tai Yau Building 181 Johnston Road Wanchai, Hong Kong
Principal Bankers	The Bank of East Asia, Limited The Hongkong and Shanghai Banking Corporation Limited
Principal Share Registrar and Transfer Office	MUFG Fund Services (Bermuda) Limited 4th Floor North Cedar House 41 Cedar Avenue Hamilton HM 12 Bermuda
Hong Kong Branch Share Registrar and Transfer Office	Tricor Secretaries Limited 17/F. Far East Finance Centre 16 Harcourt Road Hong Kong

9. PARTICULARS OF DIRECTORS

(a) Names and addresses of the Directors

Name	Business Address
<i>Executive Directors</i>	
Mr. CHEUNG Siu Fai	Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong
Mr. HUI Chun Wai Henry	Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. FONG Wai Ho	Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong
Mr. CHOW Hiu Tung	Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong
Mr. CHEUNG Sze Ming	Room 1005, 10/F. Tower Two, Lippo Centre No. 89 Queensway Hong Kong

(b) Profiles of the Directors***Executive Directors***

Mr. CHEUNG Siu Fai (“**Mr. Cheung**”), aged 52, was appointed as an executive director of the Company on 20 February 2020 and the chairman and acting chief executive officer of the Company on 2 March 2021. He holds a Master Degree in Business Administration from The Chinese University of Hong Kong and a Bachelor Degree in Electronic Engineering from The Hong Kong Polytechnic University. Mr. Cheung is a director of certain subsidiaries of the Group. Mr. Cheung founded Hammer Capital Group Limited and is a director of Hammer Capital Asset Management Limited. Prior to founding Hammer Capital Group Limited, he was the Head of Asia Pacific of the Strategic Equity Solutions of Merrill Lynch (Asia Pacific) Limited (“**Merrill Lynch**”). Prior to his position at Merrill Lynch, he was the Head of Asia Pacific of the Strategic Equity Solutions and the Managing Director of the Structured Products of Asia of Citigroup Global Markets Asia Limited. He has also held key positions in various major investment banks in Asia Pacific like Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank) and JPMorgan Chase & Co.. Mr. Cheung was also an executive director of CT Environmental Group Limited (stock code: 1363) (“**CTEG**”) between 3 August 2020 and 10 November 2020 and was appointed as an executive director again and the chief executive officer of CTEG on 19 April 2021, and CTEG was delisted from the Main Board of the Stock Exchange with effect from 10 September 2021. Mr. Cheung resigned as an executive director from CTEG with effect from 19 January 2022. Mr. Cheung has been an executive director of Shunten International (Holdings) Limited, a company listed on the Stock Exchange (stock code: 932) (“**Shunten**”) since 24 January 2022 and has also been appointed as the chairman of Shunten since 24 October 2022. Mr. Cheung is the sole director and sole shareholder of Beta Dynamic Limited, the holding company of the Company.

Mr. HUI Chun Wai Henry (“**Mr. Hui**”), aged 46, was appointed as an executive director of the Company on 2 March 2021. He holds a Bachelor Degree in Business Administration (Financial Accounting) from The Hong Kong University of Science and Technology. Mr. Hui is a director of certain subsidiaries of the Group. Mr. Hui was an employee of Hammer Capital Asset Management Limited until his resignation on 30 June 2021. Prior to joining Hammer Capital Asset Management Limited, he was a Managing Director and the Regional Head of Structured Investments & Derivatives, Asia in BNP Paribas Wealth Management Hong Kong (“**BNP**”). Prior to his position at BNP, he was the Head of Equities Advisory & Sales Trading Hong Kong at Bank of Singapore Hong Kong Branch. He worked in UBS AG Wealth Management Hong Kong Branch and China Exchanges Services Company Limited before. He has also held positions in various major investment banks in Asia Pacific like Citigroup Global Markets Asia Limited and Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank).

Independent Non-executive Directors

Mr. FONG Wai Ho (“**Mr. Fong**”), aged 42, was appointed as an independent non-executive director of the Company on 20 February 2020. Mr. Fong has over 18 years of experience in auditing and business advisory services. He is the founder and has been a practitioner of UBC & Co., Certified Public Accountants since March 2013. Mr. Fong was the practicing director of Andes Glacier CPA Limited from March 2017 to March 2020. Mr. Fong holds a bachelor’s degree in business administration (honours) in accountancy and management information systems awarded by City University of Hong Kong. Mr. Fong is a practicing Certified Public Accountant in Hong Kong, a member of the Association of Chartered Certified Accountants as well as a fellow of the Hong Kong Institute of Certified Public Accountants. He is a member of the Chartered Professional Accountants of British Columbia and the Chartered Professional Accountants of Canada, respectively. He is currently an independent non-executive director of Global Sweeteners Holdings Limited (stock code: 3889) and Perennial Energy Holdings Limited (stock code: 2798) respectively, the shares of which are listed on the Main Board of the Stock Exchange. Mr. Fong was also an independent non-executive director of CTEG between 3 August 2020 and 15 September 2021. CTEG was delisted from the Main Board of the Stock Exchange on 10 September 2021.

Mr. CHOW Hiu Tung (“**Mr. Chow**”), aged 50, was appointed as an independent non-executive director of the Company on 12 March 2021. He has over 24 years of experience in accounting and internal control. Mr. Chow had been an independent non-executive director of State Energy Group International Assets Holdings Limited, a company listed on the Stock Exchange (stock code: 918) from October 2018 to December 2021, an independent non-executive director of Future Bright Mining Holdings Limited, a company listed on the Stock Exchange (stock code: 2212), from December 2014 to September 2018, and an independent non-executive director of National United Resources Holdings Limited (formerly known as China Outdoor Media Group Limited), a company listed on the Stock Exchange (stock code: 254), from October 2013 to March 2015. Mr. Chow obtained his bachelor’s degree in business administration in finance from The Hong Kong University of Science and Technology in November 1995 and obtained his master’s degree in international business in December 2001 from The University of Sydney, Australia. Mr. Chow has been a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) since January 1999. Mr. Chow has also been a member of the Association of Chartered Certified Accountants since April 2000 and was admitted as its fellow member in April 2005.

Mr. CHEUNG Sze Ming, aged 53, was appointed as an independent non-executive director of the Company on 12 March 2021. He has nearly 20 years of experience from working in various public listed companies. Mr. Cheung Sze Ming is currently an executive director, the company secretary and the chief financial officer of Affluent Partners Holdings Limited, a company listed on the Stock Exchange (stock code: 1466) since April 2018, and an independent non-executive director of Ocean Line Port Development Limited, a company listed on the GEM Board of the Stock Exchange (stock code: 8502) since November 2020. He was an executive director and the chief financial officer of Dingyi Group Investment Limited, a company listed on the Stock Exchange (stock code: 508), from October 2011 to March 2018. He worked in an international audit firm before joining the listed companies. Mr. Cheung Sze Ming holds a bachelor’s degree in Accountancy from Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University). He is also a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants).

10. DIRECTOR'S SERVICE CONTRACTS

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

11. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were treated as a controlling shareholder).

12. EXPENSES

The expenses in connection with the Rights Issue, including the fees of legal and financial advisers and auditors, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1,177,000, which are payable by the Company.

13. GENERAL

The English language text of this prospectus and the other Prospectus Documents shall prevail over its Chinese language text, in case of any inconsistency.

14. LEGAL EFFECT

This prospectus, the PAL and the EAF, 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 (WUMP) Ordinance so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraph headed "7. Qualifications and Consent of the Experts" in this Appendix IV, has been registered with the Registrar of Companies in Hong Kong for registration 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 (www.gwt.hk) for a period of 14 days from the date of this prospectus:

- (a) the report on the unaudited pro forma financial information of the Group issued by Confucius International CPA Limited, the text of which is set out in Appendix II to this prospectus;
- (b) the valuation report in respect of the property of the Group in Hong Kong issued by Ravia Global Appraisal Advisory Limited, the text of which is set out in Appendix III to this prospectus;
- (c) the letters of consent from the experts referred to in the paragraph headed “7. Qualifications and Consent of the Experts” in this Appendix IV; and
- (d) the contracts referred to in the paragraph headed “5. Material Contracts” in this Appendix IV.