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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Huasheng International Holding Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s), or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

The securities described in the Prospectus Documents have not been registered under the US 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 US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in the Prospectus Documents in the United States or to conduct a public offering of securities in the United States.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed “Rights of Overseas Shareholders” in the “Letter from the Board” in this Prospectus.

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

Hong Kong Exchanges and Clearing Limited, the Stock Exchange 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.

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## Huasheng International Holding Limited

華盛國際控股有限公司

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

(Stock Code: 1323)

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

Placing Agent to the Rights Issue



Grand China Securities Limited

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

The latest time for payment and acceptance of the Rights Shares is at 4:00 p.m. on Monday, 5 February 2024. The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Procedures for acceptance, splitting of PAL and payment or transfer” in the “Letter from the Board” of this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Thursday, 11 January 2024. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 24 January 2024 to Wednesday, 31 January 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed “Conditions of the Rights Issue” in this Prospectus. Shareholders and potential investors of the Company should note that: (a) if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed; and (b) the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placers under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. Accordingly, the Rights Issue and the Placing may or may not proceed. Any Shareholder or other person contemplating transferring, selling, purchasing or otherwise dealing with the Shares and/or the Rights Shares in their nil-paid forms is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, will accordingly bear the risk that the Rights Issue and the Placing may not become unconditional or may not proceed.

22 January 2024

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 28 December 2023 in relation to, among other things, the Rights Issue and the Placing Agreement
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Huasheng International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1323)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Director(s)”	director(s) of the Company
“GBP”	British pound sterling, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	Thursday, 28 December 2023, being the last trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Practicable Date”	18 January 2024, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 5 February 2024 or other time or date as may be determined by the Company, being the latest time for acceptance of, and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 19 February 2024, being the first Business Day after the Latest Time for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent, being the latest time to terminate the Placing Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Net Gain”	any premiums paid by the independent placee(s) over the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
“No Action Shareholders”	the Qualifying Shareholders who do not subscribe for the Rights Shares under the PAL(s) or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed (including the Non-Qualifying Shareholder in respect of NQS Unsold Rights Shares)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place (if any)
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) (if any) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall be Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares pursuant to the Placing Agreement

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## DEFINITIONS

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“Placing Agent”	Grand China Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements
“Placing Agreement”	conditional placing agreement dated 28 December 2023 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Placee(s) on a best effort basis
“Placing Arrangement”	the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus” or “this Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Monday, 22 January 2024 or such other date as may be determined by the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders (if any)
“Public Float Requirement”	the public float requirement under Rule 8.08(1)(a) of the Listing Rules which requires, <i>inter alia</i> , at least 25% of the issuer’s total number of issued shares must at all times be held by the public

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## DEFINITIONS

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“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Friday, 19 January 2024, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 251,884,914 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“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\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.115 per Rights Share

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## DEFINITIONS

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“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Share(s)”	any of the Rights Shares which have not been subscribed by the Qualifying Shareholders or transferees of nil-paid Rights Shares by the Latest Time for Acceptance
“USD”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

# *For information purposes only*



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## EXPECTED TIMETABLE

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The expected timetable for the Rights Issue set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

<b>Event</b>	<b>Date</b>
First day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 24 January 2024
Latest time for splitting of PALs . . . . .	4:00 p.m. on Friday, 26 January 2024
Last day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 31 January 2024
Latest time for payment and acceptance of Rights Shares . . . . .	4:00 p.m. on Monday, 5 February 2024
Announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements . . . . .	Wednesday, 14 February 2024
Commencement of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent . . . . .	Thursday, 15 February 2024
Latest time for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent . . . . .	6:00 p.m. on Friday, 16 February 2024
Latest time for the Termination . . . . .	4:00 p.m. on Monday, 19 February 2024
Announcement of the results of Rights Issue (including the results of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and the amount of the Net Gain per the Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements) . . . . .	Tuesday, 20 February 2024
Despatch of certificates for fully-paid Rights Shares . . . . .	Wednesday, 21 February 2024
Despatch of refund cheques if the Rights Issue is terminated . . . . .	Wednesday, 21 February 2024

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## EXPECTED TIMETABLE

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Event	Date
Commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 22 February 2024
Designated broker starts to stand in the market to provide matching services for odd lots of shares . . . . .	9:00 a.m. on Thursday, 22 February 2024
Payment of the Net Gain (if any) to the relevant No Action Shareholders (if any) . . . . .	Wednesday, 28 February 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares . . . . .	Wednesday, 13 March 2024

All times and dates specified in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by a super typhoon in force in Hong Kong on Monday, 5 February 2024, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next 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.

Under such circumstances, the dates mentioned in the expected timetable above may be affected.

Dates stated in this Prospectus for the events mentioned in the timetable above are indicative only and may be extended or varied. Any changes to the above expected timetable will be announced as and when appropriate in accordance with the Listing Rules.

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## EXPECTED TIMETABLE

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

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

The Shares are expected to be dealt in on an ex-rights basis from Thursday, 11 January 2024. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 24 January 2024 to Wednesday, 31 January 2024 (both days inclusive).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or waived (as applicable) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

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

**EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.**

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## EXPECTED TIMETABLE

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This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus and the PAL have been or will be registered or filed under the securities laws of any jurisdiction or with any securities commission or similar regulatory authority in any jurisdiction other than in Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus and the PAL will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company).

Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than in Hong Kong, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Rights of Overseas Shareholders” under “Letter from the Board” of this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

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LETTER FROM THE BOARD

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**Huasheng International Holding Limited**

**華盛國際控股有限公司**

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

**(Stock Code: 1323)**

*Executive Directors:*

Mr. Chan Kin Lung  
Mr. Wong Jeffrey  
Mr. Kong Chi Keung

*Non-executive Director:*

Mr. Li Renjie

*Independent non-executive Directors:*

Mr. Kwok Kam Tim  
Mr. Tso Ping Cheong, Brian  
Mr. Li Kwok Tai, James

*Registered office:*

Cricket Square,  
Hutchins Drive P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of*

*business in Hong Kong:*

Suites 2301-03, 23/F.  
Far East Consortium Building  
No. 121 Des Voeux Road Central  
Hong Kong

22 January 2024

*To the Qualifying Shareholders,*

*and for information purpose only, the Non-Qualifying Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

Reference is made to the Announcement in relation to, among other matters, the Rights Issue and the Placing Agreement.

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## LETTER FROM THE BOARD

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On 28 December 2023, the Company proposed to raise up to approximately HK\$29 million before deduction of costs and expenses by way of a rights issue of up to 251,884,914 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date) at the Subscription Price of HK\$0.115 per Rights Share and on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and will not be extended to the Non-Qualifying Shareholder(s) (if any).

The purpose of this Prospectus is to provide you with, among other things, (i) further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to the Qualifying Shareholders; (ii) financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other information of the Group.

### PROPOSED RIGHTS ISSUE

On 28 December 2023, the Company proposed to raise up to approximately HK\$29 million before deduction of costs and expenses by way of a rights issue of up to 251,884,914 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date) at the Subscription Price of HK\$0.115 per Rights Share and on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and will not be extended to the Non-Qualifying Shareholder(s) (if any).

#### Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price:	HK\$0.115 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	503,769,829 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	Up to 251,884,914 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)
Aggregate nominal value of the Rights Shares:	Up to HK\$25,188,491.4 (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)

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## LETTER FROM THE BOARD

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Total number of Shares in issue upon completion of the Rights Issue:	Up to 755,654,743 (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)
Gross proceeds from the Rights Issue:	Up to approximately HK\$29 million before deduction of the costs and expenses which the Company will incur in the Rights Issue

As at the Latest Practicable Date, the maximum number of 251,884,914 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent approximately 50% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of 25% or more on its own.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. The legal adviser of the Company as to the laws of the Cayman Islands have confirmed that pursuant to the Company's constitutional documents and the Companies Act (as amended) of the Cayman Islands, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the ultimate subscription level.

In the event that the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders under PAL(s), or transferees of nil-paid Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company, and hence, the size of the Rights Issue will be reduced accordingly.

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## LETTER FROM THE BOARD

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The Shareholder who applies to take up his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules. There is no minimum amount to be raised under the Rights Issue.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **Undertakings**

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

### **Subscription Price**

The Subscription Price is HK\$0.115 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 6.5% to the closing price of HK\$0.123 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 12.2% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 11.5% to the average of the closing price of HK\$0.13 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 12.2% to the average of the closing price of HK\$0.131 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 8.73% to the theoretical ex-rights price of approximately HK\$0.126 per Share based on the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the Last Trading Day;



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## LETTER FROM THE BOARD

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- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 3.82%, represented by the theoretical diluted price of approximately HK\$0.126 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.131 per Share, taking into account the closing price on the Last Trading Day of HK\$0.131 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Latest Practicable Date of approximately HK\$0.13 per Share;
- (vii) a discount of approximately 50% to the audited consolidated net asset value per Share of approximately HK\$0.23 (based on the latest published audited consolidated net asset value of the Group attributable to owners of the Company of approximately HK\$964 million as disclosed in the annual report of the Company for the year ended 31 March 2023 and 4,198,098,293 Shares); and
- (viii) a discount of approximately 47.7% over the unaudited consolidated net asset value per Share of approximately HK\$0.22 (based on the latest published unaudited consolidated net asset value of the Group attributable to owners of the Company of approximately HK\$941 million as disclosed in the interim report of the Company for the period ended 30 September 2023 and 4,198,098,293 Shares).

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

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimizing possible dilution impact.

The Board considers that the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole, after taking into account the following factors:

- (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market;
- (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and

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## LETTER FROM THE BOARD

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the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount to the recent closing price.

The estimated net price per Rights Share upon full acceptance of the provisional allotment of Rights Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.11.

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

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

### **Stamp duty and other applicable fees and charges**

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

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 12 January 2024.

Shareholders with their Shares held by a nominee(s) (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

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## LETTER FROM THE BOARD

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

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

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares in issue and held by the Qualifying Shareholders as at the close of business on the Record Date.

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

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

As at the Latest Practicable Date, there are no Overseas Shareholders with registered addresses situated outside Hong Kong. The Company will continue to ascertain whether there are any Overseas Shareholders at the Record Date and will make enquiries with the relevant legal advisers in such overseas jurisdictions regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

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## LETTER FROM THE BOARD

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Notwithstanding any other provision in this Prospectus or any other Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares 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 in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the 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.

### **Arrangements for the NQS Rights Shares**

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

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

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

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

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

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## LETTER FROM THE BOARD

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The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent places on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 6:00 p.m., on Friday, 16 February 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price can be obtained. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

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

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

### **Distribution of the Prospectus Documents**

The Prospectus Documents are not intended to be, have not been and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Non-Qualifying Shareholders (if any). The Company will not send any PALs to the Non-Qualifying Shareholders (if any).

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## LETTER FROM THE BOARD

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

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

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

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

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

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

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## LETTER FROM THE BOARD

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### **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 of a Share) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

### **Procedures for acceptance, splitting of PAL and payment or transfer**

The PAL is a form of temporary document of title and will be despatched in printed form to the Qualifying Shareholder(s) as 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, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:00 p.m. on Monday, 5 February 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” in the “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**TRICOR INVESTOR SERVICES LIMITED – A/C NO. 004**” and crossed “**ACCOUNT PAYEE ONLY**”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Monday, 5 February 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected.



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## LETTER FROM THE BOARD

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If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Friday, 26 January 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares. The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” of this Prospectus is not fulfilled on Friday, 16 February 2024 or such later date as may be considered by the Company, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 21 February 2024.

### **Cheques and cashier orders**

All cheques and cashier’s orders accompanying completed PALs will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier’s order in payment for the Rights Shares, whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier’s order is dishonoured on first presentation, and in that event the relevant provisional allotment of Rights Shares and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to you only if the overpaid amount is HK\$100 or above. No receipt will be issued in respect of any PAL and/or relevant remittance received.



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## LETTER FROM THE BOARD

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### **Beneficial owners' instructions to their Intermediary**

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

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

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Wednesday, 21 February 2024 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Rights Issue does not become unconditional, refund cheques will be despatched on or before Wednesday, 21 February 2024 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

### **Odd lot arrangements**

In order to facilitate the trading of odd lots (if any) of the Shares, the Company will appoint Grand 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. Shareholders 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 Dealing Room at 3979 6718 during the period from 9:00 a.m. on Thursday, 22 February 2024 to 3:30 p.m. on Wednesday, 13 March 2024, both days inclusive. Shareholders should note that 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 lots arrangement is recommended to consult his/her/its own professional advisers.

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## LETTER FROM THE BOARD

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### **Application for listing 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 nil-paid and fully-paid forms. 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. Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 20,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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

### **Rights Shares will be eligible for admission into CCASS**

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

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

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## LETTER FROM THE BOARD

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### 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 (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

### THE PLACING AGREEMENT

On 28 December 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date:	28 December 2023
Parties:	The Company, as issuer; and the Placing Agent, as placing agent
Placing Agent:	Grand China Securities Limited, appointed as the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis. The Placing Agent confirmed that it is a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

As at the Latest Practicable Date, the Placing Agent does not hold any Shares. The Placing Agent and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Independent Third Parties. The Placing Agent and its associates do not hold any Shares as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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Fees and expenses:	<p>The commission payable to the Placing Agent shall be 3% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.</p> <p>The Company will pay all out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Placing (excluding legal and other professional fees and expenses) which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.</p>
Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case may be):	<p>The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price.</p> <p>The final price determination is dependent on the demand and market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights during the process of placement.</p>
Placees:	<p>The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who (i) shall be third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates; and (ii) shall ensure that the Public Float Requirements under Rule 8.08(1)(a) of the Listing Rules be fulfilled by the Company and none of the placees shall be obliged to make a mandatory general offer to the other Shareholders under the Takeovers Code.</p>
Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares:	<p>The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.</p>

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## LETTER FROM THE BOARD

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Termination:

If at any time prior to the Latest Time for Termination:

- (i) the Company fails to comply with its obligations under the Placing Agreement; or
- (ii) there is an occurrence of any force majeure events; or
- (iii) any of the warranties of the Company under the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in any respect by reference to the facts subsisting at the time,

and such matter in the reasonable opinion of the Placing Agent to be material in the context of the Placing Arrangement then the Placing Agent may by giving notice in writing to the Company terminate the Placing Agent's obligation under the Placing Agreement and the Placing Agreement shall be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach thereunder prior to such termination.

Further, if all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the nilpaid rights on or before the Latest Time for Acceptance, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach thereunder prior to such termination.

Conditions Precedent:

The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Rights Shares; and

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## LETTER FROM THE BOARD

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- (ii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company. The Directors consider the fee charged by the Placing Agent is no less favourable to the Company than the commission in recent placing transactions and therefore the terms of the Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are on normal commercial terms. The Directors believe that the expenses are typical and ordinary in the marketing of securities.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders, the Company considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interests of the Company's minority Shareholders.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfillment of each of the following conditions:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms, by no later than the first day of their dealings;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus Documents (and all other documents required to be attached thereto) as having been approved by resolution of the Board not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance; and
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue, by no later than the Prospectus Posting Date.

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## LETTER FROM THE BOARD

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The Company shall use all reasonable endeavours to procure the fulfilment of the conditions precedent set out above. None of the conditions set out above can be waived. If the conditions precedent set out in the above paragraphs are not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed.

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

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

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

The Group is principally engaged in (i) the production and sales of ready-mixed commercial concrete; and (ii) the provision of money lending services.

It is expected that the maximum gross proceeds and net proceeds from the Rights Issue will be approximately HK\$29 million and HK\$27.2 million respectively. As disclosed in the annual report of the Company for the year ended 31 March 2023, as at 31 March 2023, the Group has bank balance and cash of approximately HK\$69.5 million and current liabilities of approximately HK\$602.0 million, among which approximately HK\$117.2 million are borrowings due on or before 31 March 2024. The Company intends to use the net proceeds from the Rights Issue for the repayment of outstanding short-term liabilities of the Group, which includes partial repayment of a debt of RMB33,511,060 (the “**Debt**”) (equivalent to approximately HK\$36,862,166 at the exchange rate of RMB1 to HK\$1.10) which fell due on 31 December 2023 and has been extended to 28 March 2024 (the “**Due Date**”) as agreed by the creditor of the Debt. In the event that the bank balance and cash of the Group is not sufficient to repay such short-term liabilities, the Group may conduct further fund raising activities to raise additional funds.

The Directors consider that raising funds by way of the Rights Issue is an appropriate form of equity fund raising for the Group as the Rights Issue will enable the Company to strengthen its working capital and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company. In addition, prior to proceeding with the Rights Issue, the Company had used its best endeavours to explore the best terms for the Rights Issue. The Company had consulted three brokerage companies (including the Placing Agent) for possible underwriting services in respect of any Unsubscribed Rights Shares and the NQS Unsold Rights Shares not successfully placed by the Placing Agent under the Placing. Save for the Placing Agent which expressed its interest in acting as a placing agent for the Rights Issue on a best effort basis, the Company had not received any favourable feedback due to the prevailing market conditions. Considering that the role and function of the Placing Agent are more or less similar to that of an underwriter in the Rights Issue (save that the Placing Agent procures places on a best effort basis), the Board has resolved to conduct the Rights Issue on a non-underwritten basis and to put in place the Placing Arrangement.

## LETTER FROM THE BOARD

The Directors consider that the Rights Issue, which will proceed on a non-underwritten basis as a result of the reasons set out above, represents a good opportunity to raise additional funds through the equity market and will strengthen the Group's financial position and is in the interest of the Company and the Shareholders as a whole.

### FUND RAISING ACTIVITY OF THE COMPANY FOR THE PAST TWELVE MONTHS

Date of announcement	Equity fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date	Unutilised proceeds as at the Latest Practicable Date
6 October 2023	Placing of new shares under general mandate (the "Share Placing")	Approximately HK\$13.12 million	Repayment of outstanding short-terms liabilities of the Group	HK\$3.5 million for the use of repayment of outstanding short-term liabilities of the Group	HK\$9.62 million

The Company will also use the unutilised proceeds from the Share Placing in the amount of approximately HK\$9.62 million for the repayment of the Debt before the Due Date.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by all of the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming full acceptance by all the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent		Immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent subject to scaledown of subscriptions to avoid the unwitting triggering of the obligation to make a general offer under the Takeovers Code	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tang Hon Kwong	50,693,800	10.06	76,040,700	10.06	50,693,800	6.7	50,693,800	7.04
Independent places (Note 1)	-	-	-	-	251,884,914	33.3	215,798,559	29.99
Other public Shareholders	453,076,029	89.94	679,614,043	89.94	453,076,029	60.0	453,076,029	62.97
Total	503,769,829	100	755,654,743	100	755,654,743	100	719,568,388	100



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## LETTER FROM THE BOARD

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*Note:*

1. The independent placees are subject to scale-down of subscriptions to avoid the unwitting triggering of the obligation to make a general offer under the Takeovers Code so that the independent placees will not hold 30% or more of the total number of issued Shares and avoid non-compliance of Public Float Requirement, all applications for the Rights Shares will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger the obligation to make a general offer under the Takeovers Code on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. The Company will comply with the Public Float Requirement and ensure that the Company will maintain a minimum public float of 25% of the total number of issued Shares at all times.

The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

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

Based on the public information available to the Board, as at the Latest Practicable Date, the Company's public float complies with the Public Float Requirement. To the best of the Directors' knowledge, information and belief, the Company will still meet the Public Float Requirement upon the completion of the Rights Issue.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the Latest Practicable Date and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the Latest Practicable Date and the Rights Issue is not underwritten by a Director, chief executive or Substantial Shareholder (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under Rule 7.19A of the Listing Rules.

### **FURTHER INFORMATION**

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

Yours faithfully,  
For and on behalf of the Board  
**Huasheng International Holding Limited**  
**Wong Jeffrey**  
*Executive Director*

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

The audited financial information of the Company is disclosed in the annual reports of the Company for the years ended 31 March 2021 (page 47 to 148), 2022 (page 41 to 142) and 2023 (page 51 to 144), which are published on 23 June 2021, 24 June 2022 and 21 June 2023 respectively. The unaudited financial information of the Company is disclosed in the interim report of the Company for the six months ended 30 September 2023 (page 18 to 54), which is published on 24 November 2023. The abovementioned financial information is available on the website of the Company at [www.huashengih.com](http://www.huashengih.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk):

- (a) the annual report of the Company for the year ended 31 March 2021 in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0714/2021071401080.pdf>);
- (b) the annual report of the Company for the year ended 31 March 2022 in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0714/2022071400549.pdf>);
- (c) the annual report of the Company for the year ended 31 March 2023 in relation to the financial information of the Group for the same year (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0710/2023071000819.pdf>); and
- (d) the interim report for the six months ended 30 September 2023 published on 24 November 2023 in relation to the financial information of the Group for the same period (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1213/2023121300246.pdf>).

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 November 2023, being the latest practicable date for the purpose of this indebtedness statement of the Group prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

	<i>HK\$'000</i>
Bonds payable	154,726
Borrowings	191,042
Lease liabilities	11,600
Promissory note payables	<u>21,200</u>
Total	<u><u>357,368</u></u>

**Bonds payable**

As at 30 November 2023, being the latest practicable date for the purpose of this indebtedness statement, the Group had aggregate outstanding bonds payable of approximately HK\$154,726,000 comprising unsecured bond payable of approximately HK\$25,092,000 and a secured bond payable of approximately HK\$129,634,000.

**Unsecured bond payable**

In November 2021, a direct wholly owned subsidiary of the Company issued a three-years unsecured bond with a principal amount of HK\$25,000,000 (the “**3-year Bond 2024**”). The 3-year Bond 2024 is denominated in Hong Kong dollars (“**HK\$**”) and bears interest at rate set out as follows:

- 8% per annum for the first anniversary of the issue date;
- 9% per annum from the date immediate after the first anniversary of the issue date up to second anniversary date of the issue date; and
- 10% per annum from the date immediate after the second anniversary of the issue date up to the maturity date.

The interest is payable semi-annually. Both the bond issuer and bondholder may at any time after the first anniversary of the issue date and before the maturity date to early redeem the 3-year Bond 2024. All the 3-year Bond 2024 are classified as current liabilities as at 30 November 2023.

**Secured bond payable**

On 10 March 2021, the Company issued seven-year corporate bonds with a principal amount of US\$20,000,000 (the “**7-year Bond 2028**”). The principal of the 7-year Bond 2028 is denominated in United States Dollars (“**US\$**”) and bears interest at rate of 4.2% per annum and interest is payable semi-annually in arrears. The 7-year Bond 2028 is secured by the entire share capital of two indirectly wholly owned subsidiaries. Up to 30 November 2023, 7-year Bond 2028 with principal amounted to approximately HK\$27,500,000 had been early redeemed by the Company.

**Borrowings**

As at 30 November 2023, being the latest practicable date for the purpose of this indebtedness statement, the Group had aggregate outstanding borrowings which comprised of (1) secured factoring loans from independent third parties of approximately HK\$97,581,000 which are secured by trade receivables of the Group and are all repayable within one year; and (2) unsecured interest-free loans from ex-shareholder and its associated companies of a subsidiary which amounted approximately HK\$93,461,000, which approximately HK\$31,735,000 is repayable within one year and the remaining amount of approximately HK\$61,726,000 is repayable within two to five years.

**Lease liabilities**

The Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date, and uses the incremental borrowing rate in calculating the present value of lease payments. At the close of business on 30 November 2023, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the Group had lease liabilities amounting to approximately HK\$11,600,000, which approximately HK\$7,652,000 is current liabilities and the remaining amount of approximately HK\$3,948,000 is non-current liabilities.

**Promissory note payables**

As at 30 November 2023, being the latest practicable date for the purpose of this indebtedness statement, the Group had promissory note payable amounted to HK\$21,200,000 which is related to the outstanding promissory note payable to a holder which the Company is unable to contact him based on the contact information registered in the register of the promissory note of the Company.

**Disclaimers**

Save as aforesaid and apart from intra-group liabilities, normal trade payables, at the close of business on 30 November 2023, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

**3. SUFFICIENCY OF WORKING CAPITAL**

The Directors are of the opinion that, after taking into account (i) the Group's internal resources and cash flows from its operations; and (ii) estimated proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements, that is, for at least 12 months from the date of this Prospectus in the absence of unforeseen circumstances. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGES**

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

**5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS**

The Group is principally engaged in (i) the production and sales of ready-mixed commercial concrete; and (ii) the provision of money lending services.

As disclosed in the interim report of the Company for the six months ended 30 September 2023, the Group recorded a revenue of approximately HK\$312.9 million for the six months ended 30 September 2023, representing a decrease of approximately HK\$42.8 million or 12.0% from approximately HK\$355.7 million for the corresponding period in 2022. Such decrease was primarily attributable to combining effects of (i) decrease in selling price of concrete as to enhance the market share; and (ii) increase in sales volume as compared to corresponding period in year 2022 whereas production disruption was resulted from the lockdown measure implemented by the local authority of Hainan Province.

The Group recorded a net loss for the six months ended 30 September 2023 of approximately HK\$3.8 million as compared with a loss of approximately HK\$51.4 million for the corresponding period in 2022. Such decrease was mainly due to the combining effects of (i) a decrease in impairment loss on goodwill recognised by the Group amounted to approximately HK\$23.1 million; (ii) a decrease in impairment loss on loan receivables recognised by approximately HK\$17.4 million; and (iii) a decrease in loss from discontinued operation of Household Consumables Business by approximately HK\$9.7 million.

As disclosed in the annual report of the Company for the year ended 31 March 2023 (the “**2022/23 Annual Report**”), the Group recorded a revenue of approximately HK\$660.4 million for the year ended 31 March 2023, representing a decrease of approximately HK\$143.5 million or 17.9% from approximately HK\$803.9 million for the corresponding year in 2022, which primarily attributable to the combined effect of (i) decrease in sales volume affected by the slowdown of the real estate development in Hainan Province coupled with the operation disruption resulted from the quarantine and lockdown measures implemented by the local authority of Hainan Province due to the outbreak of COVID-19 during the second and third quarters of 2022; and (ii) increase in average selling price of concrete.

The Group recorded a net loss of approximately HK\$54.8 million for the year ended 31 March 2023 as compared to a net profit of approximately HK\$31.3 million for the corresponding year in 2022, which primarily due to the combined effect of: (i) increase in impairment loss on trade, retention and other receivables of approximately HK\$13.7 million from Concrete Business; (ii) recognition of approximately HK\$34.8 million of impairment loss on loan receivables for overdue loans with creditability issue during the financial year; and (iii) recognition of impairment loss on goodwill in relation to Concrete Business and Money Lending Business in total of approximately HK\$30.8 million.

The Group will continue to adopt quick and flexible marketing strategies to cautiously maintain the competitiveness of our Concrete Business and explore new business opportunities to broaden and diversify our income streams as well as reduce costs where possible so that our Group could optimize the utilization of resources and improve the overall operating and financial performance to adapt to the fast changing business environment.

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**APPENDIX II                      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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*For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.*

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below 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 September 2023.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, may not give a true picture of the consolidated financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company is based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 <i>(Note 1)</i> HK\$'000	Net proceeds from the Placing completed on 3 November 2023 <i>(Note 2)</i> HK\$'000	Estimate net proceeds from the Rights Issue <i>(Note 3)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Placing, the Share Consolidation and the Rights Issue HK\$'000
761,561	13,120	27,120	801,801

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 per Share immediately after the completion of the Placing and the Share Consolidation and before the Rights Issue *(Note 4)*

HK\$1.538

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after the completion of the Placing, the Share Consolidation and the Rights Issue *(Note 5)*

HK\$1.061

*Notes:*

- The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2023 is extracted from the interim report of the Company for the six months ended 30 September 2023, which is equal to the unaudited condensed consolidated net assets attributable to owners of the Company as at 30 September 2023 of approximately HK\$941,315,000, after deducting other intangible assets of approximately HK\$39,830,000 and goodwill of approximately HK\$139,924,000.



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## APPENDIX II                      UNAUDITED PRO FORMA FINANCIAL INFORMATION

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2. On 3 November 2023, the Company completed the placing of shares (the “**Placing**”) in which 839,600,000 ordinary shares were issued at placing price of HK\$0.016 per placing shares. Net proceeds from the Placing amounted to approximately HK\$13,120,000 (after deduction of commission and other relevant costs and expenses of the Placing).
3. The estimated net proceeds from the Rights Issue of approximately HK\$27,120,000 are calculated based on the maximum number of 251,884,914 Rights Shares (in the proportion of 1 Rights Share for every 2 existing Shares held on the Record Date which is 503,769,829 Shares) to be issued at the Subscription Price of HK\$0.115 per Rights Share assuming full acceptance by all of the Qualifying Shareholders, after deduction of the estimated related expenses of approximately HK\$1,850,000.

The 503,769,829 existing Shares held on the Record Date were arrived at based on 4,198,098,293 shares in issue as at 30 September 2023 after taking into account the issuance of 839,600,000 placing shares on 3 November 2023 and the effect of the share consolidation (which every 10 shares were consolidated into 1 share) took place on 15 December 2023 (the “**Share Consolidation**”).

4. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 per Share immediately after the completion of the Placing and the Share Consolidation and before the Rights Issue is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 immediately after the completion of the Placing and the Share Consolidation and before the Rights Issue of approximately HK\$774,681,000 divided by 503,769,829 existing Shares held on the Record Date.
5. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2023 per Share immediately after the completion of the Placing, the Share Consolidation and the Rights Issue (assuming full acceptance of the Rights Shares by all of the Qualifying Shareholders) is arrived at based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 immediately after completion of the Placing, the Share Consolidation and the Rights Issue of approximately HK\$801,801,000 divided by 755,654,743 pro forma Shares which comprise (i) 503,769,829 existing Shares held on the Record Date, and (ii) 251,884,914 Rights Shares to be issued assuming that the Rights Issue has been completed on 30 September 2023.
6. Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2023.

**B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.*



ZHONGHUI ANDA CPA Limited  
Certified Public Accountants

22 January 2024

The Board of Directors  
Huasheng International Holding Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Huasheng International Holding Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 30 September 2023 as set out on pages II-1 to II-3 of the prospectus (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group’s consolidated net tangible assets as at 30 September 2023 as if the transaction had been taken place at 30 September 2023. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the directors from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2023, on which no audit or review report has been published.

**Directors' Responsibility for the Pro Forma Financial Information**

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Management**

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

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in 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 event or transaction at 30 September 2023 would have been as presented.

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

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

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

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

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

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for and benefits of the Rights Issue and use of proceeds" set out on pages 29 to 30 of the Prospectus.

**Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

**Sze Lin Tang**

Practising Certificate Number P03614

Hong Kong

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

**2. SHARE CAPITAL**

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming (a) there is no change in the number of Shares in issue from the Latest Practicable Date and up to the Record Date; and (b) all Qualifying Shareholders have taken up the Rights Shares to which they are entitled) were/will be as follows:

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

	<b>Number of Shares</b>	<b>Nominal value of ordinary Shares (HK\$)</b>
<i>Authorised:</i>		
Ordinary Shares of HK\$0.10 each	<u>1,000,000,000</u>	<u>100,000,000</u>
<i>Issued and fully paid:</i>		
Ordinary Shares of HK\$0.10 each	<u>503,769,829</u>	<u>50,376,982.9</u>

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

	Number of Shares	Nominal value of ordinary Shares (HK\$)
<i>Authorised:</i>		
Ordinary Shares of HK\$0.10 each	<u>1,000,000,000</u>	<u>100,000,000</u>
<i>Issued and fully paid:</i>		
Ordinary Shares of HK\$0.10 each	503,769,829	50,376,982.9
Rights Shares to be issued pursuant to the Rights Issue of HK\$0.10 each	<u>251,884,914</u>	<u>25,188,491.4</u>
Shares in issue immediately after completion of the Rights Issue	<u>755,654,743</u>	<u>75,565,474.3</u>

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

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

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares and there was no share or loan capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option. Furthermore, as at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

#### (a) Director's and chief executive's interests and short positions in the securities of the Company or its associated corporations

As at the Latest Practicable Date, none of the Directors nor the chief executives of the Company had or was 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) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange.

#### (b) Substantial Shareholders' and other persons' interests or short position in the securities of the Company and its associated corporations

As at the Latest Practicable Date, so far as known to the Directors, the following parties (not being the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Stock Exchange under provisions of Divisions 2 and 3 of Part XV of the SFO or, who is expected, directly or indirectly, to be interested in 10% or more of the issued voting shares of any other member of the Group; or (ii) which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

#### *Long position in the Shares and underlying shares of the Company:*

Name of Shareholder	Nature of interest	Position	No. of Shares interested	Approximate percentage of issued Shares (Note 1)
Tang Hon Kwong	Beneficial owner	Long	50,693,800	10.06

Note:

- The percentage had been calculated on the basis of 503,769,829 issued Shares as at the Latest Practicable Date.



Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that there is any other party (other than the Directors or chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares, underlying shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is expected, directly or indirectly, to be interested in 10% or more of the issued voting shares of any other member of the Group; or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

#### **5. DIRECTORS' INTERESTS IN ASSETS**

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

#### **6. DIRECTORS' INTEREST IN CONTRACT OR ARRANGEMENT**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

#### **7. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors, controlling shareholders of the Company or their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

#### **8. MATERIAL LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

## 9. EXPERT AND CONSENT

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

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

ZHONGHUI ANDA CPA Limited 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 references to its name in the form and context in which they respectively appear.

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

As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited did not have any direct or indirect interests in any assets which have been, since 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

## 10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date:

- (a) the placing agreement dated 19 April 2022 and entered into between the Company and KGI Asia Limited as placing agent for the placing of up to 699,000,000 Shares on a best effort basis at the placing price of HK\$0.105 per placing share to not less than 6 independent places;
- (b) the sale and purchase agreement dated 28 September 2022 and entered into between Star World International Holdings Limited (“**Star World**”), a wholly-owned subsidiary of the Company, as vendor and Spencer Goldsmith Ltd (“**Spencer Goldsmith**”) as purchaser pursuant to which Star World agreed to sell and Spencer Goldsmith agreed to purchase 100% of the equity interest of S&J Distribution Limited, previously an indirect wholly-owned subsidiary of the Company, at the consideration of GBP1.9 million;

- (c) the sale and purchase agreement dated 9 January 2023 and entered into between Integrated Winners Enterprises Limited (“**Integrated Winners**”) as vendor and Star World as purchaser, pursuant to which Star World agreed to acquire and Integrated Winners agreed to sell 1.34 non-voting participating class A shares (the “**Class A Shares**”) of Wisdom Moon (BVI) Limited (“**Wisdom Moon**”), representing 13.40% of the issued Class A Shares of Wisdom Moon, at the consideration of USD15 million;
- (d) the placing agreement dated 6 October 2023 and entered into between the Company and Grand China Securities Limited as placing agent for the placing of up to 839,600,000 Shares on a best effort basis at the placing price of HK\$0.016 per placing share to not less than 6 independent places; and
- (e) the Placing Agreement.

## 11. EXPENSES

The expenses in connection with the Rights Issue, including placing commission, printing, registration, translation, legal and accountancy fees are estimated to be approximately HK\$1.85 million, which are payable by the Company.

## 12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong
Authorised representatives	Mr. Wong Jeffrey Ms. Kwong Oi Man Patty
Company secretary	Ms. Kwong Oi Man Patty
Legal adviser to the Company	As to Hong Kong laws: Michael Li & Co. 19th Floor, Prosperity Tower 39 Queen’s Road Central Central, Hong Kong

Independent reporting accountant	ZHONGHUI ANDA CPA Limited 23/F, Tower 2, Enterprise Square Five 38 Wang Chiu Road, Kowloon Bay Kowloon, Hong Kong
Placing agent	Grand China Securities Limited Room 503, 5/F Loke Yew Building 50-52 Queen's Road Central Central, Hong Kong
Principal share registrar and transfer office in the Cayman Islands	Suntera (Cayman) Limited Suite 3204, Unit 2A Block 3, Building D P.O. Box 1586, Gardenia Court Camana Bay, Grand Cayman KY1-1100, Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	Bank of East Asia, Limited 10 Des Voeux Road Central Central, Hong Kong DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Central, Hong Kong

**13. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY****(i) Name and address**

<b>Name</b>	<b>Correspondence address</b>
<b>Executive Directors</b>	
Mr. Chan Kin Lung	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong
Mr. Wong Jeffrey	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong
Mr. Kong Chi Keung	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong
<b>Non-executive Director</b>	
Mr. Li Renjie	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong
<b>Independent non-executive Directors</b>	
Mr. Kwok Kam Tim	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong
Mr. Tso Ping Cheong, Brian	Suites 2301-03, 23/F. Far East Consortium Building No. 121 Des Voeux Road Central Hong Kong

Mr. Li Kwok Tai, James  
Suites 2301-03, 23/F.  
Far East Consortium Building  
No. 121 Des Voeux Road Central  
Hong Kong

**Senior management**

Mr. Chan Kin Yip  
Suites 2301-03, 23/F.  
Far East Consortium Building  
No. 121 Des Voeux Road Central  
Hong Kong

**(ii) Profile of Directors and senior management**

***Executive Directors***

**Mr. Chan Kin Lung** (“**Mr. Chan**”), aged 54, joined the Company in October 2013 as an executive Director and is the chief investment officer of the Company. Mr. Chan holds a bachelor’s degree of management of the economy<sup>#</sup> (經濟管理) from the Air Force Engineering University of People’s Liberation Army, the PRC<sup>#</sup> (中國人民解放軍空軍工程大學) and holds a diploma of senior energy valuer<sup>#</sup> (能源審計評估師 (高級)) from the Ministry of Human Resources and Social Security of the PRC<sup>#</sup> (中華人民共和國人力資源和社會保障部). Mr. Chan has extensive experience in the coal mining industry (being both open-pits and undergrounds), exploration, exploitation, production in Xinjiang Uyghur Autonomous Region, the PRC and Guizhou Province, the PRC. Mr. Chan also has over 18 years of experience in corporate management. Mr. Chan adopted a proactive management approach and delivered outstanding performances in various areas, specifically in the area of corporate management.

**Mr. Wong Jeffrey** (“**Mr. Wong**”), aged 36, was appointed as an executive Director in September 2015. He was the chief operating officer of the Company from September 2016 to March 2022. He has taken up the management role as a director of a number of subsidiaries of the Company. He joined the Group in July 2013 as the chairman assistant and was subsequently promoted to the project coordinator and the senior project officer of Bright Rising Enterprise Limited, a wholly-owned subsidiary of the Company, in July 2014 and January 2015 respectively. Mr. Wong obtained a bachelor’s degree of applied science (laboratory medicine) from the Royal Melbourne Institute of Technology University in Australia in 2008 and a master’s degree of business administration (international) from the Deakin University in Australia in 2013. Mr. Wong is also a member of the Hong Kong Institute of Directors and a member of the Hong Kong Concrete Institute. Prior to joining the Group, Mr. Wong worked as medical scientist in various hospitals in Australia from February 2007 to June 2013.

**Mr. Kong Chi Keung** (“**Mr. Kong**”), aged 52, has been appointed as the executive Director and the chief operation officer of the Group with effect from 1 December 2023. Mr. Kong joined the Group since August 2012, primarily responsible for the business operation of the Group. Mr. Kong has over 20 years of experience in the fields of project management in construction industry in both Hong Kong and the People’s Republic of China. Mr. Kong holds a bachelor’s degree in business administration from the Hong Kong Baptist University.

***Non-executive Director***

**Mr. Li Renjie** (“**Mr. Li**”), aged 34, has been appointed as the non-executive Director and the chairman of the Group with effect from 1 December 2023. Mr. Li studied a bachelor’s of science degree in informatics from the Indiana University Bloomington. Mr. Li has extensive experience in the information technology industry. He was the chief technology officer of Hangzhou Mache Technology Co., Ltd<sup>#</sup> (杭州碼車科技有限公司) from May 2015 to February 2016; the chief technology officer of Hangzhou Hangdong Information Technology Co., Ltd<sup>#</sup> (杭州杭東信息科技有限公司) from April 2016 to June 2017; the chief technology officer of Hangzhou Shushanfu Technology Co., Ltd<sup>#</sup> (任杭州書山府科技有限公司) from August 2017 to August 2018; the chief executive officer of Hangzhou Qierudian Technology Co., Ltd<sup>#</sup> (杭州切入點科技有限公司) from August 2018 to June 2022 and is currently the chief executive officer of Jiayi Technology (Jinhua) Co., Ltd<sup>#</sup> (嘉計科技(金華)有限公司).

***Independent non-executive Directors***

**Mr. Kwok Kam Tim** (“**Mr. Kwok**”), aged 47, joined the Company in April 2012 as an independent non-executive Director. Mr. Kwok is currently the chairman of each of the audit committee (the “**Audit Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company, and a member of the nomination committee (the “**Nomination Committee**”) of the Company. Mr. Kwok is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute. Mr. Kwok holds a bachelor of engineering degree from the Hong Kong University of Science and Technology, a bachelor of arts degree in accountancy and a master’s degree in corporate governance from the Hong Kong Polytechnic University. He had worked in an international accounting firm and has over 21 years of experience in accounting, auditing and financial management.

Mr. Kwok is currently a financial controller of Silk Road Logistics Holdings Limited (stock code: 988), a company listed on the Main Board of the Stock Exchange.

**Mr. Tso Ping Cheong, Brian** (“**Mr. Tso**”), aged 43, joined the Company in February 2015 as an independent non-executive Director. Mr. Tso is currently the chairman of the Nomination Committee, and a member of each of the Audit Committee and Remuneration Committee. He graduated from the Hong Kong Polytechnic University, with a bachelor’s degree of arts in accountancy in November 2003 and obtained a master’s degree of corporate governance from the Hong Kong Polytechnic University in October 2013. Mr. Tso has over 19 years of experience in accounting and financial management. From September 2003 to July 2007 and August 2007 to November 2008, Mr. Tso worked at Ernst & Young Hong Kong office and Ernst & Young Shenzhen office, a multinational accounting firm, respectively, with the last position as manager. Mr. Tso is currently a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Chartered Governance Institute and the Hong Kong Chartered Governance Institute. Since January 2013, Mr. Tso has been the sole proprietor of Teton CPA Company, an accounting firm.

Mr. Tso has been an independent non-executive director of each of Shenglong Splendor International Limited (stock code: 8481) and EFT Solutions Holdings Limited (stock code: 8062), both companies listed on the GEM of the Stock Exchange, since June 2018 and September 2019 respectively. He has also been an independent non-executive director of Maxicity Holdings Limited (stock code: 2295), a company listed on the Main Board of the Stock Exchange, since November 2019. Mr. Tso was an independent non-executive director of Guoen Holdings Limited (formerly known as Guru Online (Holdings) Limited) (stock code: 8121), a company listed on the GEM of the Stock Exchange, from May 2014 to May 2023.

**Mr. Li Kwok Tai, James** (“**Mr. James Li**”), aged 55, joined the Company in September 2020 as an independent non-executive Director. Mr. James Li is currently the member of each of the Nomination Committee, the Audit Committee and Remuneration Committee. Mr. James Li obtained a bachelor’s degree in engineering (with honours) from the University of Liverpool in the United Kingdom, a master’s degree in science from the Victoria University of Manchester (currently known as the University of Manchester) in the United Kingdom and a bachelor’s degree in laws from the University of London in the United Kingdom. Mr. James Li is a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 23 years of experience in investment banking and corporate finance and has extensive knowledge in accounting and finance.

Mr. James Li is currently the managing director of the investment banking department of Shanggu Securities Limited and an independent non-executive director of both C&D Property Management Group Co., Ltd (stock code: 2156) and Powerwin Tech Group Limited (stock code: 2405) which are companies listed on the Main Board of the Stock Exchange, since December 2020 and March 2023 respectively.



*Senior management*

**Mr. Chan Kin Yip** (“**Mr. KY Chan**”), aged 51, has joined the Company as the chief financial officer since September 2015. Mr. KY Chan has taken up the management role as a director of a number of subsidiaries of the Company. Mr. KY Chan graduated from The Hong Kong Polytechnic University with a bachelor of arts degree in accountancy. He served as an internal control consultant of Evershine Group Holdings Limited (“**Evershine**”) (stock code: 8022) from September 2007 to March 2009 and was appointed as an executive director of Evershine from March 2009 to March 2012. He has extensive experience in the fields of audit, internal control and treasury and is a member of the Hong Kong Institute of Certified Public Accountants.

**14. LEGAL AND BINDING EFFECT**

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

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

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

**16. MISCELLANEOUS**

- (i) The company secretary of the Company is Ms. Kwong Oi Man Patty (“**Ms. Kwong**”). Ms. Kwong holds a bachelor’s degree of commerce from Monash University in Australia and she is currently a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Ms. Kwong has over 13 years of experience in auditing, accounting and company secretarial practice.
- (ii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (iii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.

- (iv) As at the Latest Practicable Date, save as disclosed elsewhere in this Prospectus, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business.
- (v) The English text of the Prospectus Documents shall prevail over the respective Chinese text in the case of inconsistency.

**17. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.huashengih.com](http://www.huashengih.com)) for a period of 14 days from the date of this Prospectus:

- (a) the report from ZHONGHUI ANDA CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (b) the written consent of the expert as referred to in the paragraph headed "9. Expert and consent" in this appendix; and
- (c) the material contracts as referred to in the paragraph headed "10. Material contracts" in this appendix.