
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser. Capitalised terms used herein shall have the same meanings as those defined in the section headed “Definitions” in this prospectus, unless otherwise stated.

If you have sold or transferred all your shares in Hope Life International Holdings Limited (the “Company”), you should at once hand the Prospectus Documents to the purchaser(s) or other transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, having attached thereto 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 by 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 SFC take no responsibility for the contents of any of the Prospectus Documents.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Letter from the Board – Warning of the Risks of Dealing in the Shares and/or the nil-paid Rights Shares” in this prospectus.

Subject to the granting of the listing of, and the 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 and you should consult a stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. 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.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their 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 the Prospectus Documents.

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 section headed “Letter from the Board – Proposed Rights Issue – Rights of Overseas Shareholders” in this prospectus.

This prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdictions in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the laws of any state or jurisdiction of 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 Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described herein in the United States or to conduct a public offering of securities in the United States.

HOPE LIFE INTERNATIONAL HOLDINGS LIMITED

曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

The Shares have been dealt in on an ex-entitlement basis from Friday, 17 February 2023. The nil-paid Rights Shares will be dealt in from Thursday, 2 March 2023 to Thursday, 9 March 2023 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 2 March 2023 to Thursday, 9 March 2023 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the nil-paid Rights Shares should therefore exercise caution, and are recommended to consult his/her/its own professional adviser(s) if in any doubt about his/her/its own position.

The Rights Issue is on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully-subscribed, any Untaken Shares together with the NQS Unsold Shares will be placed to independent places on a best effort basis under the Placing. Any Untaken Shares or NQS Unsold Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Pursuant to the Company’s constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to the fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue” in this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Thursday, 30 March 2023). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares up to the date when all the conditions to which the Rights Issue is subject are fulfilled. 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).

The Latest Time for Acceptance is 4:00 p.m. on Tuesday, 14 March 2023. The procedures for acceptance and payment and/or transfer are set out on pages 18 to 19 of this prospectus.

NOTICE

The Rights Issue is conditional upon the fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue” in this prospectus.

Any Shareholder or other person contemplating transferring, selling or purchasing 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 may not become unconditional and/or may not proceed.

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.

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 section headed “Letter from the Board – Proposed Rights Issue – Rights of Overseas Shareholders” in this prospectus.

NOTICE

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.

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustrate”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

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

“Announcements”	the announcements of the Company dated 9 December 2022 and 30 December 2022 in relation to, among other things, the Share Consolidation, the Change in Board Lot Size, the Increase in Authorised Share Capital, the Rights Issue and the Placing
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning No. 8 or above, or “extreme conditions” caused by super typhoons or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 16,000 Consolidated Shares, conditional upon the Share Consolidation becoming effective
“Circular”	the circular of the Company dated 20 January 2023 in relation to, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue and the Placing
“Companies Registry”	Companies Registry of Hong Kong
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Hope Life International Holdings 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: 1683)

DEFINITIONS

“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed “Letter from the Board – Procedures in respect of the Untaken Shares and NQS Unsold Shares and the Compensatory Arrangements” in this prospectus
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$0.02 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on Tuesday, 14 February 2023 to consider and, if thought fit, to approve, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue, the Placing and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Old Shares to HK\$60,000,000 divided into 6,000,000,000 Old Shares (or 3,000,000,000 Consolidated Shares after the Share Consolidation becoming effective)
“Independent Shareholders”	Shareholders other than (i) all executive Directors and their respective associates (as defined under the Listing Rules); (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the EGM
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons

DEFINITIONS

“Last Trading Day”	9 December 2022, being the last trading day of the Shares immediately prior to the date of the announcement of the Company dated 9 December 2022
“Latest Practicable Date”	22 February 2023, 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 Tuesday, 14 March 2023 (or such other time and date as may be determined by the Company), being the latest time for the application of, and payment for, the Rights Shares
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	any premiums paid by the placees over the Subscription Price for the Untaken Shares and the NQS Unsold Shares placed by the Placing Agent under the Placing
“Nil Paid Rights”	rights to subscribe for the Rights Shares before the Subscription Price is paid
“No Action Shareholders”	Qualifying Shareholder(s) or renounee(s) or transferee(s) of Nil Paid Rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights lapse
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board considers necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold 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
“Old Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company before the Share Consolidation

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the arrangements to place the Untaken Shares and the NQS Unsold Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties
“Placing Agent”	CNI Securities Group Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the agreement dated 9 December 2022 entered into between the Company and the Placing Agent in respect of the Placing
“Placing End Date”	6:00 p.m. on Wednesday, 29 March 2023 or such other dates as the Company may announce
“Placing Long Stop Date”	4:00 p.m. on Thursday, 30 March 2023 (being the next Business Day after the Placing End Date) or such later date as the Company may announce
“Placing Period”	the period from Wednesday, 22 March 2023 up to the Placing End Date, being the period during which the Placing Agent will seek to effect the Placing
“Placing Share(s)”	the Untaken Share(s) and the NQS Unsold Share(s)
“Posting Date”	Tuesday, 28 February 2023, or such other date as the Company may determine and announce for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, and for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Prospectus Documents”	this prospectus and the PAL(s)
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	the date by reference to which provisional allotments under the Rights Issue are expected to be determined, which is Monday, 27 February 2023 or such later date as may be determined and announced by the Company
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed offer for subscription of the Rights Shares at the Subscription Price on the basis of two (2) Rights Shares for every one (1) Share held by the Shareholders on the Record Date and subject to the conditions set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this prospectus
“Rights Issue Completion”	completion of the Rights Issue
“Rights Issue Settlement Date”	Thursday, 13 April 2023
“Rights Share(s)”	the Share(s) to be allotted and issued under the Rights Issue, being up to 864,000,000 Shares (assuming there is no other change in the total number of issued share capital of the Company from the date of the announcement of the Company dated 9 December 2022 up to and including the Record Date)
“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) with par value of HK\$0.02 each in the capital of the Company upon the Share Consolidation becoming effective

DEFINITIONS

“Share Consolidation”	the consolidation of every two (2) Old Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.140 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Untaken Share(s)”	the number of unsubscribed Rights Share(s) not taken up by Qualifying Shareholder(s) or renouncee(s) or transferee(s) of Nil Paid Rights under PAL(s) during the Rights Issue
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the proposed Rights Issue and the Placing and the associated trading arrangement is set out below. The expected timetable is subject to the satisfaction of the conditions of the Rights Issue and the Placing and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this prospectus refer to Hong Kong local times and dates.

First day of dealings in nil-paid Rights Shares	Thursday, 2 March 2023
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 6 March 2023
Last day of dealings in nil-paid Rights Shares	Thursday, 9 March 2023
Latest Time for Acceptance	4:00 p.m. on Tuesday, 14 March 2023
Announcement of the number of the Untaken Shares and NQS Unsold Shares subject to the Placing	Tuesday, 21 March 2023
Commencement of the Placing Period (if there are any Untaken Shares and NQS Unsold Shares available)	Wednesday, 22 March 2023
Placing End Date for placing the Placing Shares	6:00 p.m. on Wednesday, 29 March 2023
Latest Time for the Rights Issue to become unconditional and the Placing Long Stop Date	4:00 p.m. on Thursday, 30 March 2023
Rights Issue Settlement Date and Placing completion date	Thursday, 13 April 2023
Announcement of the results of the Rights Issue (including the results of the Placing and the Net Gain)	Friday, 14 April 2023
Despatch of share certificates for the Rights Shares or refund cheques, if terminated	Monday, 17 April 2023
First day of dealings in the fully-paid Rights Shares	9:00 a.m. on Tuesday, 18 April 2023
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Tuesday, 2 May 2023

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if a tropical cyclone signal No. 8 or above, or “extreme conditions” caused by super typhoons or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 14 March 2023, being the date on which the Latest Time for Acceptance falls. In this case, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 14 March 2023, being the date on which the Latest Time for Acceptance falls. In this case, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day on which none of the aforementioned warnings is in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on Tuesday, 14 March 2023, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD

HOPE LIFE INTERNATIONAL HOLDINGS LIMITED

曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

Executive Directors:

Mr. LIANG Zhichao (*Chairman*)

Ms. CHEN Wuyou

Independent non-executive Directors:

Mr. CHEUNG Ting Pong

Mr. ZHEN Jian

Ms. ZHAO Hongqin

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Flat 1703, 17th Floor

Wanchai Commercial Centre

Nos. 194–204 Johnston Road

Hong Kong

28 February 2023

*To the Qualifying Shareholders and, for information purposes only,
the Non-Qualifying Shareholders (if any)*

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcements and the Circular in relation to, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue and the Placing. The Board announced that the Company proposed to raise up to approximately HK\$120.96 million before expenses by way of issuing up to 864,000,000 Rights Shares to the Qualifying Shareholders by way of the Rights Issue at the Subscription Price of HK\$0.140 per Rights Share (after taking into account the effect of the Share Consolidation) on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date.

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 and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) certain financial information of the Group; and (iii) other information in respect of the Group.

LETTER FROM THE BOARD

At the EGM held on Tuesday, 14 February 2023, the necessary resolutions for approving, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the Rights Issue, the Placing and the transactions contemplated thereunder, were duly passed by the Shareholders or the Independent Shareholders (as the case may be). The Share Consolidation became effective on Thursday, 16 February 2023.

PROPOSED RIGHTS ISSUE

The Board proposes to conduct the Rights Issue on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date. Set out below are the details of the Rights Issue statistics.

Rights Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.140 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	432,000,000 Shares
Maximum number of Rights Shares	:	864,000,000 Rights Shares (assuming there is no other change in the total number of issued Shares on or before the Record Date), representing (i) 200% of the total issued Shares as at the Latest Practicable Date; and (ii) approximately 66.67% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue
Maximum gross proceeds to be raised from the Rights Issue	:	Approximately HK\$120.96 million

No irrevocable commitments

As at the Latest Practicable Date, the Company has not received any irrevocable commitments from any Shareholder to accept or reject the Rights Shares to be allotted and issued to them under the Rights Issue.

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price is HK\$0.140 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 16.67% to the adjusted closing price of HK\$0.168 per Consolidated Share (based on the closing price of HK\$0.084 per Old Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (ii) a discount of approximately 17.65% to the adjusted average closing price of approximately HK\$0.170 per Consolidated Share (based on the average closing price of approximately HK\$0.085 per Old Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iii) a discount of approximately 17.65% to the adjusted average closing price of HK\$0.170 per Consolidated Share (based on the average closing price of approximately HK\$0.085 per Old Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iv) a discount of approximately 6.04% to the theoretical ex-entitlement price of approximately HK\$0.149 per Consolidated Share (based on the benchmarked price of approximately HK\$0.168 per Consolidated Share after taking into account the higher of (i) the closing price of HK\$0.084 per Old Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average of the closing price of approximately HK\$0.083 per Old Share as quoted on the Stock Exchange for the previous five consecutive trading days prior to the date of the announcement of the Company dated 9 December 2022 and adjusted for the effect of the Share Consolidation and the number of Shares as enlarged by the Rights Shares);
- (v) a discount of approximately 5.41% to the closing price of HK\$0.148 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 11.11%, represented by the theoretical diluted price of approximately HK\$0.149 per Consolidated Share to the benchmarked price of approximately HK\$0.168 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Old Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average of the closing prices of the Old Shares as quoted on the Stock Exchange for

LETTER FROM THE BOARD

the previous five consecutive trading days prior to the date of the announcement of the Company dated 9 December 2022 and adjusted for the effect of the Share Consolidation); and

- (vii) a discount of approximately 77% to the adjusted consolidated net asset value per Share attributable to the Shareholders as at 30 June 2022 of approximately HK\$0.61 per Share calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$240,759,000 as at 30 June 2022 as set out in the interim report of the Company for the six months ended 30 June 2022 adjusted by the net proceeds of HK\$20,611,200 received from the placing of new shares under general mandate completed on 5 August 2022; and 432,000,000 Shares in issue as at the Latest Practicable Date.

The Subscription Price and the subscription ratio of the Rights Issue were determined with reference to and having considered (i) the prevailing volatile market conditions of the Hong Kong stock market in 2022 due to the global entry of the rate hike cycle and the continuous impact on the economic activities arising from the COVID-19 pandemic. The Hang Seng Index reached a quarterly high of 22,418.97 on 28 June 2022 and subsequently reversed its trend and traded below 14,863.06 on 28 October 2022, which adversely affected investors' confidence in the stock market; (ii) the fluctuated downward trend of the prevailing market prices of the Old Shares since the beginning of 2022 which had decreased from HK\$0.242 on 3 January 2022 to HK\$0.084 as at the Last Trading Day, representing a decrease of approximately 65.29%; (iii) the current financial position of the Group is not sufficient to cope with the Group's business plan as discussed in the section headed "Letter from the Board – Reasons for the Rights Issue, the Placing and the Use of Proceeds" in this prospectus with an aim to maximise value for the Company and the Shareholders as a whole; (iv) the relatively large rights issue ratio (i.e. two (2) Rights Shares for every one (1) Share) and the fluctuated downward trend of the market prices of the Old Shares as discussed in point (ii) above which may not be attractive to Shareholders to participate in the Rights Issue if the Subscription Price is not set at an attractive discount, it would be reasonable to set the Subscription Price at a relatively deep discount for attracting the Qualifying Shareholders to participate in the Rights Issue; and (v) the reasons for the Rights Issue and the use of proceeds as set out in the section headed "Letter from the Board – Reasons for the Rights Issue, the Placing and the Use of Proceeds" in this prospectus.

In view of the above, the Directors consider that the terms of the Rights Issue, including the subscription ratio, and the Subscription Price which has been set at a discount to the abovementioned benchmarked price with an objective to encourage the Qualifying Shareholders to take up their entitlements so as to participate in the potential growth of the Company, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The Directors noted that the Subscription Price represents a discount of approximately 77% to the adjusted consolidated net asset value per Share attributable to owners of the Company as at 30 June 2022. It was also noted that the Old Shares/Shares had been in general traded at a substantial discount to the consolidated net assets attributable to owners of the Company per Old Share/Share over the past six months immediately preceding the Latest Practicable Date.

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Therefore, the Directors consider that the current market price of the Shares in fact reflects the value of the Shares that is generally perceived by the market having taken into account all business segments of the Group as well as the prevailing market conditions. Accordingly, the net asset value per Share is not a meaningful benchmark to assess the Subscription Price, instead, the prevailing market price of the Shares would be a more appropriate reference in determining the Subscription Price in this regard.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interest of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not want to participate in the Rights Issue can dispose of 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 and to participate in the growth and development of the Company, in priority to other potential investors; (iii) 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 relatively low price as compared to the recent market price of the Shares; (iv) the minority Shareholders have the right to express their view on and vote down the Rights Issue at the EGM; and (v) part of the net proceeds from the Rights Issue will be utilised for the development of the Group's consumer good business which has shown a satisfactory performance with strong growth potential in the interim report of the Company for the six months ended 30 June 2022.

The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

Each Rights Share will have a par value of HK\$0.02. The aggregate nominal value of the maximum number of Rights Shares will be HK\$17,280,000.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an under-subscription of the Rights Issue, any Untaken Shares together with the NQS Unsold Shares will be placed on a best efforts basis by the Placing Agent to independent places under the Placing. Any Untaken Shares and/or NQS Unsold Shares remain unplaced under the Placing 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 in order for the Rights Issue to proceed.

The Cayman Islands legal adviser of the Company has confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

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

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) the passing of all necessary resolutions to be proposed at the EGM for the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Issue) by the Shareholders (other than those who are required to abstain from voting according to the Listing Rules or other applicable laws and regulations if necessary);
- (ii) the Share Consolidation, the Change in Board Lot Size and the Increase in Authorised Share Capital having become effective;
- (iii) the issue by the Stock Exchange of a certificate authorising the registration of, and the registration with the Companies Registry, respectively, of one copy of each of the Prospectus Documents not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus bearing a “For Information Only” stamp to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Posting Date;
- (v) the granting by the Listing Committee of the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (vii) the compliance with any other mandatory requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

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The above conditions are incapable of being waived. If any of the above conditions are not satisfied at or prior to the respective time stipulated therein or 4:00 p.m. on the Rights Issue Settlement Date (as the case may be), the Rights Issue will not proceed.

As at the Latest Practicable Date, conditions (i) and (ii) above have been fulfilled.

Qualifying Shareholders and Non-Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and a Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Monday, 20 February 2023.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue, subject to the results of the enquiries to be made by the Company. The Company reserves the right to 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. Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Based on the register of members of the Company, there is no Overseas Shareholder as at the Latest Practicable Date and the Record Date.

Arrangements for Rights Shares which would otherwise have been available to the Non-Qualifying Shareholders

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, had they been Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings

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in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro-rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any NQS Unsold Shares will be placed by the Placing Agent at the price not less than the Subscription Price under the Placing together with the Untaken Shares. The proceeds of the sale as described above, less expenses and in the case of being sold by the Placing Agent, also less the Subscription Price and the Placing Agent's commission, will be paid (without interest and rounded down to the nearest cent) in Hong Kong dollars pro-rata to the relevant Non-Qualifying Shareholders' and the No Action Shareholders' shareholdings held on the Record Date on the basis of all NQS Unsold Shares and Untaken Shares. Any Untaken Shares and the NQS Unsold Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Basis of provisional allotment

The basis of the provisional allotment shall be two (2) Rights Shares for every one (1) Share in issue held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

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

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue. No odd lot matching services will be provided by the Company in respect of the Rights Shares.

Status of the Rights Shares

The Rights Shares, when issued and fully-paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

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Share certificates and refund cheques for the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted by Monday, 17 April 2023 to those entitled to them at their registered addresses by ordinary post at their own risk.

Refund cheques, if the Rights Issue does not become unconditional, are expected to be posted on or before Monday, 17 April 2023 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing and dealing arrangements of the Rights Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. The nil-paid and fully-paid Rights Shares will be traded in board lots of 16,000 Shares.

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

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, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders 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.

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Procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted

Qualifying Shareholders should find enclosed with this prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PALs, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Tuesday, 14 March 2023. All remittances must be made by cheques or banker's cashier orders in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to **HOPE LIFE INTERNATIONAL HOLDINGS LIMITED** and must be crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar for registration by no later than 4:00 p.m. on Tuesday, 14 March 2023, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may (at its sole discretion but without obligation) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of a Qualifying Shareholder's rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 6 March 2023 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations as required. The new PALs will be available for collection at 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 after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and banker's cashier orders will be presented for payment following receipt and all interests earned on such application monies (if any) will be retained for the benefit of the Company. 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 and/or banker's cashier order is dishonoured on first presentation, and in

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that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. Completion and return of the PAL together with a cheque or banker's cashier order in payment of the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by such person that the cheque or banker's cashier order will be honoured upon first presentation.

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

No action has been taken to permit the offering of the Rights Shares, or the distribution of the Prospectus Documents in any territory other than Hong Kong. The Prospectus Documents should not be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws and regulations. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will be deemed to constitute a warranty and representation from such person to the Company that all local legislation, legal and regulatory requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Procedures in respect of the Untaken Shares and NQS Unsold Shares and the Compensatory Arrangements

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

The Company therefore appointed the Placing Agent to place the Untaken Shares and the NQS Unsold Shares to independent placees on a best effort basis after the number of the Untaken Shares and the NQS Unsold Shares that are subject to the Compensatory Arrangements has been announced. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying 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 the Placing End Date, acquirers for all (or as many as possible) of those Untaken Shares and the NQS Unsold Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Untaken Shares and the NQS Unsold Shares remain not placed after completion of the Placing will not be issued by the

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Company and the size of the Rights Issue will be reduced accordingly. Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Untaken Shares and NQS Unsold Shares) to the No Action Shareholders and the Non-Qualifying Shareholders (but rounded down to the nearest cent). It is proposed that Net Gain to any of the No Action Shareholder(s) or the Non-Qualifying Shareholders of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

The Placing

On 9 December 2022 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Placing Shares (i.e. the Untaken Shares and/or the NQS Unsold Share during the Rights Issue) on the terms and subject to the conditions set out in the Placing Agreement. Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue through the PAL(s), the Placing will not proceed.

The Placing Agreement

The principal terms of the Placing Agreement are summarised below:

Date : 9 December 2022 (after trading hours of the Stock Exchange)

Placing Agent : CNI Securities Group Limited

The Placing Agent confirms that it and its ultimate beneficial owner(s) are Independent Third Parties.

Placing commission and expenses : 0.5% of the gross proceeds from the subscription of the Placing Shares successfully placed by the Placing Agent multiplied by the placing price under the Placing Agreement and reimbursed for the expenses in relation to the Placing (including but not limited to all out-of-pocket expenses actually incurred by the Placing Agent for placing the Placing Shares), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the company at the Placing End Date.

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- Placing price : The placing price of each of the Untaken Share and/or the NQS Unsold Share (as the case maybe) shall be not less than the Subscription Price. The final price determination will be depended on the demand and market conditions of the Untaken Shares and the NQS Unsold Shares during the process of Placing.
- Placing Period : The Placing Period shall commence on Wednesday, 22 March 2023, and end at 6:00 p.m. on the Placing End Date (i.e. Wednesday, 29 March 2023 under timetable) or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.
- Placees : The Placing Agent shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owner(s) shall be Independent Third Parties; (ii) such that no placee shall become a substantial shareholder immediately following the Placing; and (iii) such that the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- The Company will continue to comply with the public float requirements after the Placing.
- Ranking : The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Conditions of the Placing

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

- (i) the grant by the Listing Committee of the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;

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- (ii) approval of the Rights Issue by Independent Shareholders at the EGM;
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events on or before the Placing Long Stop Date or such later date as may be agreed between the Company and the Placing Agent in writing.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the conditions (other than those set out in paragraphs (i) to (iii) above) by notice in writing to the Company.

As at the Latest Practicable Date, condition (ii) has been fulfilled.

The timetable of the Placing is driven by the timetable of the Rights Issue. Under the term of the Placing Agreement, the Placing Period shall commence on Wednesday, 22 March 2023, or such other date as the Company may announce. The Placing Period shall end on Wednesday, 29 March 2023, or such other date as the Company may announce.

The long stop date for the fulfilment of conditions of the Placing Agreement shall be 4:00 p.m. on Thursday, 30 March 2023 (being the next Business Day after the Placing End Date) or such later date as may be announced by the Company. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions and if the said conditions are not fulfilled on or before the Placing Long Stop Date, the Placing Agreement will lapse and become null and void and the Company and the Placing Agent shall be released from all rights and obligations under the Placing Agreement, save the liabilities for any antecedent breaches thereof.

Termination

The Placing Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

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Completion of the Placing

Subject to the fulfilment of conditions of the Placing as set out in the section headed “Letter from the Board – Conditions of the Placing” of this prospectus, the completion of the Placing is expected to take place on the third business day after the Placing Long Stop Date (or such later date as the Company may announce).

The engagement between the Company and the Placing Agent of the Untaken Shares and the NQS Unsold Shares was determined after arm’s length negotiation between the Placing Agent and the Company and is on normal commercial terms. In particular, the Directors, taking into account the range of placing commissions for recent rights issues conducted by issuers listed on the Stock Exchange, consider that the terms of the Placing Agreement, including the placing commission, are normal commercial terms. Given that the Placing would provide (i) a distribution channel of the Untaken Shares and the NQS Unsold Shares; and (ii) a compensatory mechanism for the No Action Shareholders and Non-Qualifying Shareholders, the Directors consider that the terms of the Placing Agreement are fair and reasonable and the entering into of the Placing Agreement is in the interest of the Company and its shareholders as a whole.

REASONS FOR THE RIGHTS ISSUE, THE PLACING AND THE USE OF PROCEEDS

The Group is principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, consumer goods business and financial services.

Assuming a maximum of 864,000,000 Rights Shares will be issued under the Rights Issue, the estimated gross proceeds of the Rights Issue will be approximately HK\$120.96 million. The estimated expenses in relation to the Rights Issue will amount to approximately HK\$2 million and the estimated maximum net proceeds of the Rights Issue will be approximately HK\$118.96 million. The net subscription price per Rights Share is expected to be approximately HK\$0.138.

The Company intends to apply the net proceeds from the proposed Rights Issue as follows:

- (a) approximately HK\$45 million for the repayment of the Group’s interest-bearing borrowing and its accrued interest which will be due in June 2023;
- (b) approximately HK\$50 million for the development of the Group’s consumer goods business;
- (c) approximately HK\$15 million to support the Group’s construction and its ancillary services, including but not limited to (i) approximately HK\$3 million for the prepayment to be made to the subcontractors and/or supplies before the commencement of projects; and (ii) approximately HK\$12 million for the initial start-up costs of the Group’s construction projects such as subcontract fees, payments to be made to materials suppliers and direct labour cost of which HK\$9 million shall

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be applied to a construction project in Kwun Tong with a contract sum of over HK\$36 million and HK\$3 million shall be applied to the other eight construction projects in Hong Kong with an aggregate contract sum of approximately HK\$13 million; and

- (d) the remaining of the net proceeds from the Rights Issue for the general working capital of the Group, including but not limited to the staff cost, rental expenses and other office overhead.

Details of the repayment of the Group's interest-bearing borrowing and its accrued interest

As disclosed in the Company's interim report for the six months ended 30 June 2022, the Company had an interest-bearing borrowing of HK\$40 million (the "Loan") as at 30 June 2022 which would fall due in December 2022. As at 30 June 2022, the Group has cash and cash equivalents and trade receivables of approximately HK\$6.61 million and approximately HK\$54.76 million, respectively. Subsequently, the trade receivables have been continuously collected from customers and the Group's principal businesses have been generating operating cash flow continuously since July 2022.

As at 31 January 2023, the outstanding principal amount of the Loan and the accrued interest thereon was HK\$40 million and approximately HK\$4.17 million respectively. As at 31 January 2023, the Group has cash and cash equivalents of approximately HK\$24.60 million and trade receivables of approximately HK\$24.80 million.

However, the Group's internal resources may not have sufficient buffer to develop or expand the Group's business after the repayment of the Loan and its accrued interest. In light of the above and with an aim to strengthen the financial resources of the Group in order to provide more buffer for the future development of the Group, the Company intends to conduct the Rights Issue and apply the net proceeds of approximately HK\$45 million for the repayment of the Loan and its accrued interest. Having negotiated with the lender of the Loan, the lender has agreed not to immediately demand the repayment of the outstanding amount of the Loan and its accrued interest (if any) when they fell due in 12 December 2022 and agreed to extend the repayment schedule of the Loan for a half-year period to 12 June 2023. The Directors consider that it is prudent and in the interest of the Company and the Shareholders as a whole to apply approximately HK\$45 million from the net proceeds of the Rights Issue for the repayment of the Loan and its accrued interest so that the Group has sufficient financial resources to meet the financial obligations and to reduce the interest burden, improve the financial position of the Group, and provide the Group with the flexibility to develop and expand its principal business.

Details of the Group's consumer goods business and the intended use of proceeds for the development of the Group's consumer goods business

In view of the continuous growth of the consumer goods business, the Company intends to apply HK\$50 million of the net proceeds from the Rights Issue to cope with the growth of the consumer goods business of which (i) approximately HK\$10 million in setting up two yellow wine-themed bistros in the PRC; (ii) approximately HK\$30 million in purchasing raw materials

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for the production of the Group's yellow wine products to cope with the increasing demand for such yellow wine products and to improve the Group's profitability; and (iii) approximately HK\$10 million for the capital requirement for daily operations of the Group's consumer goods business.

Business model and financial performance

The Company commenced the consumer goods business since the beginning of 2021. The Group's consumer goods business is principally engaged in the production and sales of yellow wine products in the PRC which comprises yellow wines from medium to high grade with different flavors and modern-packaging designs to target young and middle-aged middle class to high class consumers. Zhejiang, Jiangxi and Fujian are among the most popular areas in the PRC in respect of Chinese yellow wine and therefore, the Group's consumer goods business was chosen to be based in Jiangxi. The Group operates a wine production plant in Jiangxi with yellow wine production capacity of approximately 3,000 tons per annum.

As disclosed in the annual report of the Company for the year ended 31 December 2021, the Company recorded revenue from the consumer goods business of approximately HK\$73.7 million. As disclosed in the interim report of the Company for the six months ended 30 June 2022, the Group's revenue from the consumer goods business for the six months ended 30 June 2022 was approximately HK\$65.24 million, representing approximately 34 times growth from approximately HK\$1.92 million for the six months ended 30 June 2021.

In respect of the production of the Group's yellow wine products, all the Group's yellow wine products for sale are produced via the Group's self-owned wine production plant located in Jiangxi. The Group has its own blending formula using different aged wine bases fermented from at least two years in producing the Group's yellow wine products. Such wine bases are the most essential materials which accounted for the largest portion of the total production cost. At the start-up stage of the Group's consumer goods business, the Group focused on speeding up the penetration of the yellow wine market in the PRC, and therefore, the Group purchased the most essential raw materials namely different ages of ready made yellow wine bases directly from suppliers despite the fact that self-produced wine bases would make the Group's yellow wine products more profitable. Following the achievement of the consumer goods business which is now more stable, profitable and with higher market share, the management is of the view that it is the right time to gradually shift to producing its own wine bases. Therefore, the Company intends to utilise approximately HK\$30 million from the net proceeds of the Rights Issue in purchasing relevant raw materials necessary to produce its self-made wine bases for the Group's long-term development of the consumer goods business as well as to gradually improve its profitability.

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Products

The Group's yellow wine products are sold mainly under the brand labels "Minyue Hong" (閩越紅), "Xian Shisha" (縣石山) and "Xingyun Zhi Guang" (幸運之光). To continuously improve product quality and launch new products to cater for the demand of the market, the Group has a research and development department with 10 employees responsible for quality advancement as well as the development of new wine products.

Customers and sales channel

The Group's yellow wine products are sold mainly to wine dealers and distributors such as food wholesalers, supermarkets and department stores based in Fujian. The Group considers that a prompt and precise marketing and brand-building strategy is one of the essential elements to succeed in the Chinese yellow wine market, and therefore, the Company has allocated and will continue to allocate sufficient resources to promote its yellow wine products by hosting wine-tasting events, wine exhibitions and wine trade fairs in the PRC to attract more recognition from the public and wine distributors on the Group's yellow wine products. The Group employed a sales team of eight staff led by the chairman of the Company who is primarily responsible for formulating marketing strategies to explore more and newer sales channels, analysing marketing data, and establishing and maintaining relationships with existing and potential customers. Currently, the Group's yellow wine business has a customer base of over 1,500 customers.

To further promote the Group's yellow wine products, the Company intends to utilise approximately HK\$10 million for hosting wine-tasting events, wine exhibitions and wine trade fairs in the PRC in the next twelve months and recruiting more staff to support the sales team with an aim to explore more and newer sales channel for the Group's yellow wine products.

Operation scale and expertise

The operation of the Group's consumer goods business is managed by a team of ten members led by the chairman of the Company. The composition of the management team consists of (i) qualified wine technicians in the PRC; (ii) professionals with 6 to over 10 years experiences in the marketing and brand-building industry; (iii) professionals with 10 to over 15 years experiences in managing the operation of wine factory and merchandise procurement; and (iv) experienced professionals in finance.

Currently, the Group's consumer goods business has over 50 employees. The Group has a well-established organisational structure to operate the consumer goods business which includes (i) a production department responsible for the operation of the production plant of yellow wine products; (ii) a sales department responsible for formulating marketing strategies and maintaining customer relationship; (iii) a procurement department for the procurement of materials and merchandises necessary for the production of yellow wine products and daily operation of the Group's consumer goods business; (iv) a research, development and quality control department to ensure the quality of the Group's yellow wine products as well as

LETTER FROM THE BOARD

launching new wine products; and (v) other supporting departments such as finance department and administration department.

LATEST DEVELOPMENT AND FUTURE PROSPECT

The Company considers the performance of the consumer goods business is promising and the Company, therefore, needs to act proactively and promptly to seize such an opportunity to expand the scale of the consumer goods business and develop the consumer goods business into a reliable source of revenue. As disclosed in the announcements of the Company dated 15 July 2022 and 21 July 2022 (the “**July 2022 Announcements**”), the Company planned to promote and explore new sales channel for the yellow wine products of the Group by setting up three yellow wine-themed bistros in Hong Kong. The Company originally planned to set up two yellow wine-themed bistros, one in Causeway Bay and one in Tsim Sha Tsui, upon completion of the placing as disclosed in the July 2022 Announcements and one yellow wine-themed bistro in Central and Western district in the second quarter of 2023 subject to (i) the performance of yellow wine-themed bistros in Tsim Sha Tsui and Causeway Bay; (ii) the economy of Hong Kong; and (iii) the coronavirus situation in Hong Kong and the government’s corresponding measures to restrict gathering. However, the Company has re-formulated its plan to set up two yellow wine-themed bistros in North Point and Central and Western district first instead of in Tsim Sha Tsui and Causeway Bay after having considered that (i) the Company could not reach a mutual agreement with the landlords of Causeway Bay and Tsim Sha Tsui bistros in respect of the rental terms and no other ideal location in Causeway Bay and Tsim Sha Tsui could be identified by the Company; (ii) the Company was able to identify a suitable location in North Point with desirable rental term and North Point is also considered to be an appropriate location to set up yellow wine-themed bistros given the fact that North Point has long been home of people coming from Fujian who are familiar with Chinese yellow wine culture, which may help the Group to promote its yellow wine products; and (iii) the Company has reached a mutual agreement on the rental term at a suitable location in Sheung Wan.

LETTER FROM THE BOARD

Due to the above reasons, the schedule for setting up two yellow wine-themed bistros in Hong Kong has been delayed. Royal China Bullion Investment Limited, a wholly-owned subsidiary of the Company, has entered into tenancy agreements for the lease of Sheung Wan bistro (the “**Sheung Wan Lease Agreement**”) and the lease of North Point bistro (the “**North Point Lease Agreement**”) with 2 independent landlords in November 2022. The principal terms of the Sheung Wan Lease Agreement and the North Point Lease Agreement are summarised below:

The Sheung Wan Lease Agreement

Date	:	11 November 2022
Premises	:	Shop F on G/F., including Cockloft F, Ko Shing Building, Nos. 48–66 Ko Shing Street, Hong Kong
Term	:	From 15 November 2022 to 14 November 2024 (both days inclusive)
Lettable area	:	Gross floor area of approximately 1,050 square feet
Monthly rental	:	HK\$36,000 (exclusive of the management fee, government rates and rent, and air-conditioning charges), with a rent-free period of 48 days from 15 November 2022 to 31 December 2022

The North Point Lease Agreement

Date	:	15 November 2022
Premises	:	Portion of shop, G/F., Continental Mansion, 304, King’s Road, 29–37, Cheung Hong Street, Hong Kong
Term	:	From 15 November 2022 to 30 November 2024 (both days inclusive)
Lettable area	:	Gross floor area of approximately 1,000 square feet
Monthly rental	:	HK\$23,000 (exclusive of the management fee, government rates and rent, and air-conditioning charges), with a rent-free period of 16 days from 15 November 2022 to 30 November 2022

LETTER FROM THE BOARD

The Sheung Wan bistro and the North Point bistro, both under the name “福建老酒” (Fujian Old Wine*) have already opened. The Company is in the course of identifying a suitable location in Tsim Sha Tsui and it is currently scheduled that the third bistro will be opened in the second quarter of 2023.

In respect of the Group’s consumer goods business in the PRC, it is always the core revenue driver of the Group’s consumer goods business. In the second half of 2022, the Group successfully developed and introduced the Group’s most high-end yellow wine product namely “Xingyun Zhi Guang” (幸運之光) into the market. Since the second half of 2022, the Group started to explore and captured clients outbound Fujian. In respect of the plan to open two yellow wine-themed bistros in the PRC, the Company plans to set up two yellow wine-themed bistros with the size of approximately 500 square meters each in Fuzhou and Quanzhou in Fujian Province within four months upon the Rights Issue Completion. The size and the operating scale of each of the yellow wine-themed bistro in the PRC are expected to be approximately five times larger than the yellow wine-themed bistros in Hong Kong, which will serve a wider range of food and beverages, such as snacks, juice, yellow wine and other alcoholic beverages. For the two yellow wine-themed bistros in the PRC, the Company plans to allocate as to (i) approximately HK\$8.2 million for the store decoration, including but not limited to the store design, water and electricity renovation, ceiling, floor and wall engineering, furniture and audio equipment; (ii) approximately HK\$550,000 for the cost of purchasing food and beverages; (iii) approximately HK\$300,000 for the marketing expenses; and (iv) approximately HK\$950,000 for working capital in operating the two yellow wine-themed bistros in the PRC including but not limited to staff cost and rental expenses. The Company plans to host wine-tasting events and wine exhibitions in the yellow wine-themed bistros in the PRC from time to time in order to continue to promote the Chinese culture of drinking yellow wine, the wine products and the yellow wine-themed bistros of the Group.

As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds from the Rights Issue cannot be ascertained at this point. If the Rights Issue is under-subscribed, the Company intends to apply such net proceeds for repayment of the Group’s accrued interest and interest-bearing borrowing first and the remaining net proceeds of the proposed Rights Issue will be utilised in proportion to the remaining uses. In the event of under-subscription of the Rights Issue, the Company plans to utilise the cash flow generated from business activities of the Group to meet the expected funding needs for the next 12 months. Meanwhile, the Company will also conduct more time-saving general mandate fund-raising activities to meet the expected funding needs for the next 12 months.

Other fund-raising alternatives

Other than the Rights Issue, the Company has considered other debt/equity fund-raising alternatives such as bank borrowings, placing or an open offer. The Company had contacted certain banks for securing bank loan facilities. However, the Company could not reach favourable financing terms with the banks upon discussion and as such, the Board considers that

* *English name for identification purpose only*

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debt financing will result in an additional interest burden and a higher gearing ratio of the Group and could not be achievable on favourable terms or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. The Company had also contacted certain securities houses for the feasibility of conducting underwritten fund-raising exercise but had received negative feedbacks from those securities houses for conducting such fund-raising activities in view of the volatile price performance of the Shares and the financial position of the Group. As for equity fund-raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund-raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

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

As at the Latest Practicable Date, the Company has no intention to dispose of, terminate or scale down any of its existing businesses.

LETTER FROM THE BOARD

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Rights Issue Completion in different scenarios as set out in below table, in each case assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date:

Shareholder	As at the Latest Practicable Date		Immediately after the Rights Issue Completion assuming full acceptance by all Shareholders under the Rights Issue		Immediately after the Rights Issue Completion assuming (a) no subscription by the Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Public Shareholders:						
Placees	–	–	–	–	864,000,000	66.67
Other Public Shareholders	432,000,000	100.00	1,296,000,000	100.00	432,000,000	33.33
TOTAL	<u>432,000,000</u>	<u>100.00</u>	<u>1,296,000,000</u>	<u>100.00</u>	<u>1,296,000,000</u>	<u>100.00</u>

The public float requirements under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

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EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS FROM THE DATE OF THE PROSPECTUS

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the date of this prospectus:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
5 August 2022	Placing of new Shares under general mandate	HK\$20,611,200	Approximately HK\$15.85 million for the operation and development of the Group's consumer goods business, and the remaining for general working capital of the Group	(i) Approximately HK\$11.84 million has been utilised for the operation and development of the Group's consumer goods business including (a) HK\$240,000 for rental deposit of the two yellow wine-themed bistros in North Point and Sheung Wan; (b) approximately HK\$3.48 million for furniture and equipment necessary for setting up the three yellow wine-themed bistros in Hong Kong; (c) HK\$200,000 for upfront payment made to suppliers for food and shop wares of the two yellow wine-themed bistros in North Point and Sheung Wan; (d) HK\$1.6 million for decoration of the two yellow wine-themed bistros in North Point and Sheung Wan; (e) HK\$470,000 for the working capital including rental expenses of the two yellow wine-themed bistros in North Point and Sheung Wan, staff costs and staff training for the yellow wine-themed bistros; and (f) approximately HK\$5.85 million for hosting sales event in the PRC; (ii) approximately HK\$4.76 million has been utilised as the general working capital of the Group; and (iii) the remaining unutilised proceed of approximately HK\$4.01 million will be applied as to (a) HK\$1 million for setting up the third bistro in Hong Kong which is expected to be utilised by the second quarter of 2023; and (b) HK\$3.01 million for the working capital of the three yellow wine-themed bistros in Hong Kong including staff cost and rental expenses, which is expected to be fully utilised by December 2023.

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TAXATION

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

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the date of the announcement of the Company dated 9 December 2022 (after taking into account the effect of the Share Consolidation), the Rights Issue is conditional upon the minority Shareholders' approval at the EGM, and any Controlling Shareholders and their associates, or where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

At the date of the EGM, the Company had no Controlling Shareholder as defined under the Listing Rules and none of the Directors and the chief executive of the Company and their respective associates holds any Share. Accordingly, no Shareholder was required to abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

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

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT THE RIGHTS ISSUE AND THE PLACING ARE CONDITIONAL UPON, AMONG OTHERS, CONDITIONS SET OUT IN THE SECTIONS HEADED "LETTER FROM THE BOARD – PROPOSED RIGHTS ISSUE – CONDITIONS OF THE RIGHTS ISSUE" AND "LETTER FROM THE BOARD – PROPOSED RIGHTS ISSUE – CONDITIONS OF THE PLACING" IN THIS PROSPECTUS, RESPECTIVELY. ACCORDINGLY, THE RIGHTS ISSUE AND/OR THE PLACING MAY OR MAY NOT PROCEED.

ANY DEALINGS IN THE SHARES AND/OR THE NIL-PAID RIGHTS SHARES UP TO THE DATE ON WHICH ALL THE CONDITIONS OF THE RIGHTS ISSUE AND THE PLACING ARE FULFILLED WILL BEAR THE RISK THAT THE RIGHTS ISSUE AND/OR THE PLACING MAY NOT BECOME UNCONDITIONAL OR MAY NOT PROCEED.

LETTER FROM THE BOARD

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

ADDITIONAL 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
Hope Life International Holdings Limited
LIANG Zhichao
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2019, 2020, 2021 and the six-month period ended 30 June 2022 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hopelife.hk), respectively:

- (i) the unaudited financial information of the Group for the six-month period ended 30 June 2022 is disclosed in the interim report of the Company for the six months ended 30 June 2022 published on 19 September 2022, from pages 9 to 29 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0919/2022091900699.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 26 April 2021, from pages 75 to 182 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600928.pdf>);
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 28 April 2021, from pages 73 to 178 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042801615.pdf>);
and
- (iv) the audited consolidated financial information of the Group for the year ended 31 December 2019 is disclosed in the annual report of the Company for the year ended 31 December published on 27 April 2020, from pages 66 to 178 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042701549.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2023, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	<i>HK\$'000</i>
Borrowing – interest-bearing and unsecured	40,000
Lease liabilities	395
	<u>40,395</u>

Save as aforesaid and apart from intra-group liabilities, normal trade payables and accruals in the ordinary course of business, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, material

capital or hire purchase commitments or other borrowings, mortgages, charges, guarantees or contingent liabilities as at the close of business on 31 January 2023.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration after having reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of this prospectus, are of the opinion that in the absence of unforeseeable circumstances, taking into account (i) the Group's cash and cash equivalent of approximately HK\$24.60 million as at 31 January 2023; (ii) the trade receivables of approximately HK\$24.80 million as at 31 January 2023 which is expected to be collected in accordance with the credit terms of the Group; (iii) the expected cash flows to be generated from existing principal businesses (i.e. the construction and its ancillary services and the consumer goods business); and (iv) the estimated maximum net proceeds of approximately HK\$118.96 million from the Rights Issue assuming the Rights Issue will be completed in June 2023, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this prospectus. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, consumer goods business and financial services.

In order to broaden income source of the Group, it is the Group's business direction to explore business opportunities. Since then, the Group has commenced the consumer goods business in 2021. According to the Company's annual report for the year ended 31 December 2021 and the Company's interim report for the six months ended 30 June 2022, the Group's consumer goods business has contributed revenue of approximately HK\$73.68 million and approximately HK\$65.24 million respectively. Segment profit contributed from the Group's consumer goods business for the year ended 31 December 2021 and for the six months ended 30 June 2022 were approximately HK\$8.33 million and approximately HK\$6.92 million respectively.

In 2022, Hong Kong property market was still negatively affected by COVID-19 in Hong Kong, and the beginning of the interest rate hike cycle since the second half of 2022 has obviously affected the investment sentiment of the Hong Kong property market. Uncertainty in

Hong Kong property market may affect the demand from the property developers for our construction and ancillary services. Revenue contributed from the Group's construction and ancillary services for the six months ended 30 June 2022 was approximately HK\$42.56 million, representing a decrease of approximately 28.08% when compared with the same period in 2021. The Company is of the view that the Group's consumer goods business has contributed valuable return to the Group dilute the negative impact arising from the continuous uncertainty of the Group's construction and ancillary services in Hong Kong during the interest rate hike cycle.

However, the Company believes that the most difficult period has passed after the Hong Kong government and the PRC government have lifted most of the COVID-19 restrictions including the cancellation of the vaccine pass and the resumption of cross-border travel between the PRC and Hong Kong. The Group's consumer goods business in the PRC and its construction and ancillary services business in Hong Kong will definitely benefit from the re-bound of market sentiments. The Group will actively grasp the opportunities in expanding its sales channels and market share when these arise, and the recovery should regain momentum in the short to medium term.

Looking forward, the Group's construction and ancillary services and consumer goods business are positioned to be the key revenue drivers of the Group.

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 results and positions for the financial periods concerned.

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED 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 (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 June 2022.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and based on the judgements, estimates and assumptions of the Directors, and because of the hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at the date to which it is made up or at any future date.

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets per Share attributable to the owners of the Company as at 30 June 2022 <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 864,000,000 Rights Shares to be issued at a Subscription Price of HK\$0.140 per Rights Share				
240,759	118,960	359,719	0.557	0.278

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022 is extracted from the published unaudited interim report of the Company for the six months ended 30 June 2022, which is equal to the unaudited consolidated net assets attributable to owners as at 30 June 2022 of HK\$240,759,000.
2. The estimated net proceeds from the Rights Issue are based on 864,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.140 each per Rights Share, after deduction of the related expenses including, among others, placing commission and other professional fees. The estimated net proceeds are approximately HK\$118,960,000.
3. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2022 was HK\$0.557, which was based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022 of HK\$240,759,000, divided by 432,000,000 Consolidated Shares which being adjusted for the effect of share subscription completed on 5 August 2022 and immediately after the Share Consolidation having become effective.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2022 immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of Rights Issue of approximately HK\$359,719,000, divided by 1,296,000,000 Consolidated Shares which represents 864,000,000 Existing Shares in issue as at 30 June 2022 which being adjusted for the effect of share subscription completed on 5 August 2022 (equivalent to 432,000,000 Consolidated Shares immediately after the Share Consolidation having become effective) and 864,000,000 Rights Shares, assuming the Share Consolidation has become effective and the Rights Issue has been completed on 30 June 2022.
5. Except for the share subscription completed on 5 August 2022, no adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2022.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus and received from the independent reporting accountants, KTC Partners CPA Limited, Certified Public Accountants, in respect of the Unaudited Pro Forma Financial Information.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP



The Board of Directors
Hope Life International Holdings Limited
Flat 1703, 17th Floor
Wanchai Commercial Centre
Nos. 194–204 Johnston Road
Hong Kong

Dear Sirs,

Independent Reporting Accountants' Assurance Report on the Compilation of Unaudited Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Hope Life International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Director**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2022 and notes as set out in Appendix II to the prospectus issued by the Company dated 28 February 2023 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II to the Prospectus. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus unless otherwise specified.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue of 864,000,000 shares on the basis of two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price of HK\$0.140 per Rights Share (the “**Rights Issue**”) on the Group's financial position as at 30 June 2022 as if the Rights Issue had taken place at 30 June 2022. As part of this process, information about the Group's unaudited consolidated net tangible assets of the Group attributable to the owners of the Company has been extracted by the Directors from the Group's unaudited condensed consolidated statement of financial position as at 30 June 2022, on which an unaudited interim report has been published.

Room 617, 6/F., Seapower Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong
香港九龍尖沙咀東科學館道1號康宏廣場北座6樓617室

Tel 電話：(852) 2314 7999

Fax 傳真：(852) 2110 9498

E-mail 電子郵件：info@ktccpa.com.hk

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Control

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

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

Reporting Accountant's Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

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

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

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

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

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

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

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

KTC Partners CPA Limited

Certified Public Accountants (Practising)

Wong Kin Shing

Practising Certificate Number: P07435

Hong Kong, 28 February 2023

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

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 no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

(a) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>3,000,000,000</u> Shares	<u>60,000,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>432,000,000</u> Shares	<u>8,640,000</u>

(b) Immediately upon completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)

<i>Authorised:</i>	<i>HK\$</i>
<u>3,000,000,000</u> Shares	<u>60,000,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>1,296,000,000</u> Shares	<u>25,920,000</u>

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

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares, as the case may be.

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

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

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests in the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors and chief executive had any interests or short positions in any shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, 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 or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DIRECTOR'S INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

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

7. LITIGATIONS

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

- (a) During the year ended 31 December 2020, Greater Bay Finance Limited ("**Greater Bay**"), a wholly-owned subsidiary of the Company which holds a money lender licence in Hong Kong acted as plaintiff and claimed against Ms. Zhong Fengai ("**Ms. Zhong**"), a borrower as defendant for the payment of a sum of HK\$7,800,000 (the "**2019 Loan**") being the principal due and payable to Greater Bay under the loan agreement dated 17 May 2019, entered into between Greater Bay and Ms. Zhong and the interests on the 2019 Loan, costs and further and/or other relief. The management and the legal representative of the Company considered the possibility of a full recovery of the 2019 Loan and the interest of which could not be estimated as at the Latest Practicable Date.

8. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this prospectus:

- (a) the placing agreement dated 23 July 2021 entered into between the Company and Yuet Sheung International Securities Limited as the placing agent in relation to the placing of convertible bonds in an aggregate principal amount of up to HK\$117,000,000 at the conversion price of HK\$0.13;
- (b) the placing agreement dated 23 November 2021 entered into between the Company and Cornerstone Securities Limited as the placing agent in relation to the placing of up to 120,000,000 new Shares at the placing price of HK\$0.1 per placing Share;
- (c) the termination agreement dated 23 November 2021 entered into between the Company and Yuet Sheung International Securities Limited in relation to the placing agreement dated 23 July 2021;
- (d) the placing agreement dated 22 June 2022 entered into between the Company and Yuet Sheung International Securities Limited as the placing agent in relation to the placing of up to 144,000,000 new Shares at the placing price of HK\$0.223 per placing Share;
- (e) the supplemental agreement dated 15 July 2022 entered into between the Company and Yuet Sheung International Securities Limited in relation to the placing agreement dated 22 June 2022 to extend the long stop date;
- (f) the termination agreement dated 20 July 2022 entered into between the Company and Yuet Sheung International Securities Limited in relation to the placing Agreement dated 22 June 2022 (as supplemented by the supplemental agreement dated 15 July 2022);
- (g) the placing agreement dated 21 July 2022 entered into between the Company and CNI Securities Group Limited as the placing agent in relation to the placing of up to 144,000,000 new Shares at the placing price of HK\$0.145 per placing Share; and
- (h) the Placing Agreement.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this prospectus (the “**Expert**”):

Name	Qualification
KTC Partners CPA Limited	Certified Public Accountants

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

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

As at the Latest Practicable Date, the Expert did not have had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and NQS Unsold Shares), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$2 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Board of Directors***Executive Directors*Mr. Liang Zhichao (*Chairman*)

Ms. Chen Wuyou

Independent non-executive Directors

Mr. Cheung Ting Pong

Mr. Zhen Jian

Ms. Zhao Hongqin

Audit committeeMr. Cheung Ting Pong (*Chairman*)

Mr. Zhen Jian

Ms. Zhao Hongqin

Nomination committeeMr. Liang Zhichao (*Chairman*)

Mr. Cheung Ting Pong

Mr. Zhen Jian

Remuneration committeeMr. Zhen Jian (*Chairman*)

Ms. Zhao Hongqin

Mr. Liang Zhichao

Registered office

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

**Head office and principal place of
business in Hong Kong**

Flat 1703, 17th Floor

Wanchai Commercial Centre

Nos. 194–204 Johnston Road

Hong Kong

Authorised representatives

Mr. Liang Zhichao

Flat 1703, 17th Floor

Wanchai Commercial Centre

Nos. 194–204 Johnston Road

Hong Kong

Mr. Yau Yan Yuen

Flat 1703, 17th Floor

Wanchai Commercial Centre

Nos. 194–204 Johnston Road

Hong Kong

Company secretary	Mr. Yau Yan Yuen <i>(a member of Hong Kong Institute of Certified Public Accountants)</i>
Principal share registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	Bank of Communications Co. Ltd. 20 Pedder Street Central Hong Kong Public Bank (Hong Kong) Limited 120 Des Voeux Road Central Hong Kong
Auditors and reporting accountants of the Company	KTC Partners CPA Limited Room 617, 6/F, Seapower Tower Concordia Plaza 1 Science Museum Road Tsimshatsui East Kowloon Hong Kong
Legal advisers to the Company	<i>As to Hong Kong law</i> Robertsons 57th Floor, The Center 99 Queen's Road Central Hong Kong

As to Cayman Islands law
Conyers Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

Financial adviser to the Company

Bison Corporate Finance Limited
Room 602, 6/F
18 King Wah Road
North Point
Hong Kong

Placing Agent

CNI Securities Group Limited
36/F, United Asia Finance Centre
333 Lockhart Road
Wan Chai
Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

The business addresses of the Directors and senior management are as follows:

Name

Business address

Executive Directors

Mr. Liang Zhichao

Flat 1703, 17th Floor
Wanchai Commercial Centre
Nos. 194–204 Johnston Road
Hong Kong

Ms. Chen Wuyou

Flat 1703, 17th Floor
Wanchai Commercial Centre
Nos. 194–204 Johnston Road
Hong Kong

Name	Business address
<i>Independent non-executive Directors</i>	
Mr. Cheung Ting Pong	Flat 1703, 17th Floor Wanchai Commercial Centre Nos. 194–204 Johnston Road Hong Kong
Mr. Zhen Jian	Flat 1703, 17th Floor Wanchai Commercial Centre Nos. 194–204 Johnston Road Hong Kong
Ms. Zhao Hongqin	Flat 1703, 17th Floor Wanchai Commercial Centre Nos. 194–204 Johnston Road Hong Kong

Senior management

Mr. Yau Yan Yuen	Flat 1703, 17th Floor Wanchai Commercial Centre Nos. 194–204 Johnston Road Hong Kong
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Executive Directors

Mr. LIANG Zhichao (“**Mr. Liang**”), aged 33, obtained a bachelor’s degree in Electrical Engineering from Auckland University of Technology. Mr. Liang is the Vice President of Royston Securities Limited. He has over 8 years of experience in project management, business operation and equity research in HK and PRC.

Ms. CHEN Wuyou (“**Ms. Chen**”), aged 28, obtained a master’s degree in Public Policy and Management from City University of Hong Kong and a bachelor’s degree in International Tourism Management from Macau University of Science and Technology. She has over 6 years of experience in investment management and risk management in HK and PRC.

Independent non-executive Directors

Mr. CHEUNG Ting Pong (“**Mr. Cheung**”), aged 43, has over 16 years of experience in financial operations. He obtained a bachelor’s degree in business administration (accountancy) from the City University of Hong Kong and a master’s degree in business administration from the University of Manchester in the United Kingdom. He has been a fellow member of the Institute of Chartered Accountants in England and Wales, and a fellow member of Hong Kong Institute of Certified Public Accountants.

Mr. Cheung is currently an independent non-executive director, the chairman of each of the Audit Committee and the nomination committee and a member of the remuneration committee of Longhui International Holdings Limited (stock code: 1007). In addition, Mr. Cheung is currently an independent non-executive director and a member of the Audit Committee of AVIC Joy Holdings (HK) Limited (stock code: 260). He was a joint company secretary of Future Data Group Limited (stock code: 8229) from July 2021 to August 2021, the finance and investor relations director and a joint company secretary of Dalipal Holdings Limited (stock code: 1921) from September 2021 to December 2021, an executive director and a non-executive director of Sanbase Corporation Limited (stock code: 8501) from July 2017 to May 2018 and from May 2018 to October 2019, respectively, the company secretary of Munsun Capital Group Limited (now known as Bay Area Gold Group Limited) (stock code: 1194) from November 2016 to January 2017 and an executive director, chief financial officer and company secretary of Modern Dental Group Limited (stock code: 3600) from March 2011 to October 2016. The issued shares of the above-mentioned companies are listed on the Stock Exchange.

Mr. ZHEN Jian (“**Mr. Zhen**”), aged 52, has over 25 years of experience in banking and securities investment in PRC and worked as senior management in several renowned financial institutions. He is currently the Chairman and Investment Director of an investment management company in Shanghai. He graduated from Correspondence College of the Central Party School of the Communist Party of China with an undergraduate degree in Economics and Management.

Ms. ZHAO Hongqin (“**Ms. Zhao**”), aged 52, obtained a bachelor’s degree in accounting from Anhui University in China. Ms. Zhao has over 25 years of experience in financial reporting and investment analysis.

Senior management

Mr. YAU Yan Yuen (“**Mr. Yau**”), aged 35, is the Chief Financial Officer, the Company Secretary, the Authorised Representative under Rule 3.05 of the Listing Rules of the Company and the CR Authorised Representative with effect from 22 October 2021. Mr. Yau obtained a degree of Bachelor of Business Administration in Accountancy from the Hong Kong Polytechnic University. Mr. Yau is a member of Hong Kong Institute of Certified Public Accountants. Mr. Yau has over 10 years of experience in financial management, corporate finance and auditing. Mr. Yau is currently an independent

non-executive director of Creative China Holdings Limited (stock code: 8368) and company secretary of Windmill Group Limited (stock code: 1850). Mr. Yau had been the chief financial officer and company secretary of Wai Hung Group Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 3321), since its listing in April 2019 to May 2021.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Cheung Ting Pong (the chairman of the Audit Committee), Mr. Zhen Jian and Ms. Zhao Hongqin. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and Senior Management” in this appendix. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditor, and performing the corporate governance function.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, 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 delivered to the Registrar of Companies in Hong Kong for registration as required by section 342C of the Companies (WUMP) Ordinance.

16. DOCUMENTS ON DISPLAY

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

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the financial years ended 31 December 2019, 2020 and 2021;

- (c) the interim report of the Company for the period ended 30 June 2022;
- (d) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (e) the material contracts referred to in the paragraph headed “8. Material contracts” in this appendix;
- (f) the written consent from the Expert referred to in the paragraph headed “9. Expert and Consent” in this appendix; and
- (g) the Prospectus Documents.

17. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.
- (c) The English text of this prospectus shall prevail over the Chinese text in case of any inconsistency.